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# Fix Your Thinking

"Injustice Anywhere Is A Threat To Justice Everywhere" ~ Dr. Martin Luther King

Saturday, December 31, 2005

## Special Report: You Gotta Be Berserk To Use An eBay Listing Company! The Whole Story

In this special report ... I'll be telling my detailed story of using such a company and relate how my selling Apple Parts on eBay for 9 years has given me unique insight into the matter.



This is my story as experienced by me personally. I have dealt with a company called BIDZIRK, in my home town. I have also visited several competitors. In doing extensive Google research, I have found that my problems are almost universal ... but that only larger clients really complain. At the end, I will offer a downloadable PDF checklist for you to use when choosing a listing company that includes questions you may not have thought of before. Please feel free to share your thoughts about these services and what you think about the article!

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PART ONE: Fast & Fun?

eBay ~ Weird Al Yankovic

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n May of 2005, I decided to obtain the assistance of an eBay listing company to help move a friend's IT inventory consisting of computers, servers, laptop power supplies, laptop docks, mice, etc etc. Since a graphic design firm that I and a colleague serviced for Mac Tech Support over the years helped design the identity of a new listing company called BIDZIRK, we chose them to help us with listing this massive inventory on eBay ... so that we could start anew by January '06.



First, I'll give you a few bullet points about eBay listing companies in general and then tell my specific problems with BIDZIRK:

- \* These listing companies (where you take items to them, they list them, and send you a check) are not upfront about their fees. (This seems to be a common problem if you do a google search on problems with eBay listing companies)
- \* It seems reasonably fair to take out 25% to 35%, but by the time you get your check ... you are often splitting your auction 50 / 50. For most



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6:06-cv-00109-HMH Date Filed 02/13/2006 Entry Number 6-11 Page 3 of 11 items, this is unfair and often less than you would receive from having a

items, this is unfair and often less than you would receive from having a yard sale or having a day at the flea market, listing it in the local paper, or taking it to a *specialized curious goods dealer* (ie, pawn shop, collectibles shop, comics shop, etc)

- \* These companies often have generic, mediocre listings that do not get top dollar.
- \* Sometimes, these companies charge outrageous shipping and handling charges for your item, therefore lowering the final bid.
- \* Listing companies do not pass savings along to the customer ie ... if they use free picture listing services or list in their store, they charge YOU the same rate as if these pictures were hosted by eBay or listed as a regular listing which saves THEM tons of money! They also do not pass along promotionals at eBay. A few days each month, eBay will have discounted listing days. For example, on December 27th 2005, eBay offered 10¢ listing fees (regular charge 25¢ per item) ... if you are listing hundreds of items ... this quickly adds up. Some days, eBay offers 1¢ listings. On rare occasion they offer flat or no final value listings. Listing companies do not pass these savings along to their customers.
- \* Listing companies do everything to protect themselves from not making any money. If they're going to make money no matter what, why should they put any special effort into creatively or effectively listing your product? Talk about customer expectations of *how its going to work vs. how its REALLY going to work.* Specifically, how customers perceive that because they do this for a living, their auctions should be BETTER than what the average eBay hack puts up.
- \* They also tend to protect their feedback to your detriment ... meaning they will refund, accept returns without any hassle, and allow eBayers to abuse time schedules for payment for any reason ... without protest or investigation ... just to save their feedback rating ... therefore;





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delaying your check or causing you to not get your money at all!

\* Typically, the length of time is 3 weeks from the date you bring in your item; until the time you get your check. These funds add up in their own Paypal accounts where they receive interest and if properly maintained; get them bonuses. (see story below) I had several checks delayed for 14 weeks!

\* As for laborers ... typically teenagers end up running the show for absentee owners. Essentially, the eBay version of McDonald's?

## McListings

## We're Lovin' It

\* By we, we mean; us, we love to be us, we aim to please us.

\* Also concerning laborers and owners ... on occasion you will find 40 and 50 somethings trying a mid life crisis career change ... they know nothing about how the eBay system works except what they have read in eBay For Dummies books. Usually they know nothing about pop culture (eBay's biggest market) or about electronics or computers (eBay's 2nd biggest market)

If you got here from a Google search, hopefully you're just contemplating using a listing company. By telling you my full story, I hope to give an understanding of what your expectations should be, and what terms you need to place into a contract before doing large scale business with a listing company...

One of my best friends who deals in procurement took an easier, more fitting IT job about 2 years ago; leaving behind an enormous eBay inventory spread out over 6 locations countywide ... some of these

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locations being very expensive premium warehouses in Greenville, South Carolina, my home town.

I had introduced this friend to eBay shortly after I met him; in 1998. He quickly passed me in feedback, as he was listing close to 500 items a month. This friend used to employ a staff of 5 to help list, pack, and do accounting for listings on eBay. Then, in late 2002, this friend had a bout of depression, let most of the eBay listing staff go and retreated to being a self employed computer repairman and a used computer salesman. He had several procurement sources ... and his local sales could not move the inventory as well as eBay ... things started to pile up in warehouse after warehouse, after warehouse. As the inventory grew, so did his overhead ... this all made him more depressed. His disorganization was affecting me ... I had no where to put some of my inventory, he had no money to front me for my own procurement, and the mess frankly; was overwhelming. Finally, in 2004, I stepped in and started to chip away at his inventory. I tried to carry some inventory to a local flea market ... while other small bits and pieces, here and there, I sold in my own Apple Computer Tech business.

It just wasn't working ...

So, in March of 2005, just as my friend and I were gearing up for a tour of companies to pitch a new product to ... we started to brainstorm. At first, I thought of a Tech Yard Sale. I thought we could rent a large building and get other people that I knew that had large amounts of computer inventory to also sell with us for a fee and maybe integrate local sponsors like high speed cable modem service and IT headhunting services.

I wanted to set some goals:

- Integrate all 6 locations into one large warehouse by summer's end





Philosophy

Apple Shampoo

CLICK TO BUY

FROM AMAZON



6:06-cv-00109-HMH Date Filed 02/13/2006 Entry Number 6-11 - Split the money with this friend 50/50 ... meaning: 25% me / 25%

- Split the money with this friend 50/50 ... meaning: 25% me / 25% my colleague / 50% my friend

- Try to sell at the flea market at least 2 Saturdays a month for 5 months straight
- Organize the inventory for a proper appraisal
- Throw away any inventory that was of absolutely no value ( close to 20% of this inventory were large HP laser printers and broken yellowed monitors)

So ... my colleague (who had recently decided to make an income on his own) and I decided to take a crack at it. We dedicated about 3-8 hours a week to the task ... sometimes ... he, more hours; late at night, separately on his own ... others ... me, more hours; during the day, on my own.

Still, it wasn't working ...

Things were looking better ... but there was just so much inventory ... some pieces were large wide format printers and wide format scanners ... there were also large server cabinets. The large items were blocking more liquid inventory. Then, I thought of something ... what about using an eBay listing company?

I had seen a new store going up in a wealthier section of my home town called Bidzirk. When my cohort mentioned that a graphic design firm that we knew had done the ad campaign for them ... it was nearly solidified that we would use them ... to support our client; we would patronize their client.

Now, let me back up for a moment. If you knew me ... you would know that my suggesting the use of an eBay listing service was not something you would expect to hear from me. After all, most of my friends





Reference:

Your Rights, The Law, & Litigation

Apple/Apple Related Recalls & Safety

Warnings

Patents, Copyrights, Trademarks,

Service Marks

Attorney General Phone #'s By State

The Top 100 Movies Of All Time

Recording Phone Calls Laws State By

State

Apple Model History

JackLooks Archive

**Jack Classics Archive** 

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consider me an *eBay guru*. I know all the sales tactics to listing, I know how to spot all the scams, and know how to exploit ALL the facets of eBay to my favor (ethically of course). (Mainly through the use of discounts) I also taught eBay, in a continuing education course, at the local technical college.



\* my second (and current) eBay member ID page in use since April 1998.

(Modified to protect seller and bidder identities)

So, I set up a time to meet with the Bidzirk owner.

I decided to meet him at a Barnes & Noble for a cup of coffee and shoot the breeze about entrepreneurship, what I bring to the table, and what he brings to the table.

Late for our first meeting, he explains his tardiness away by saying traffic was difficult. ( A part that plays an important element later in this story )

We quickly start into what Bidzirk's philosophy is, how and why it was started, and what business we might do together.

From the beginning ... I could tell the owner was a yes man. Of course, I have to be honest ... eBay is; in and of itself a *yes man paradise*. Many sellers over promise and under deliver.

## **Previous Posts**

JackWords Archive

- The Reel Jackwhispers: Legend
- As The Apple Turns: No Longer
  Turning Out Stories
- Monopoly: Apple Edition?
- How feeding hungry minds instead of hungry bodies kills children ...
- Dear eBay, I've found the most incredible way to stop scammers.
  Here's how...
- What The Dell?
- A Modest Proposal About PBS: Sell
  It To Apple! (repost)
- I Hope He Hears This: You Are An Idiot!
- 5 Things Steve Jobs Has Misled Us
  About In The Last 30 Years
- Don't SIIIIGGGGNNNNIIINNN to this ...

### **Archives**

- January 2004
- **July 2004**
- August 2004
- F September 2004
- Cotober 2004
- November 2004

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Although the owner seemed like a yes man ... I had done my home work ... he had owned an ecommerce B2B company called *ChannelLinx*.

Tech savvy? Possibly ...

\* ChanneLinx is promoted at the <u>Bidzirk site</u> indirectly and at the bottom of each page as a technology & design assistance partner.

He explained to me how he had just gotten married and was planning his honeymoon in a week's time.

Wait! He was getting married, going on a honeymoon, and starting a (in his own words) "multi-location business that will be national in 5 years time"?

At this initial meeting, we discussed an inventory survey and pickup of some large items to help us get started. I made it clear to the owner of Bidzirk that I had momentarily throttled my own Apple Tech business and that my partner was depending on the income that we saw from Bidzirk. I also made it clear that this income would be split 25/25/50. So, the owner signed off on a contract that was to my understanding 25% cut for Bidzirk 75% for me and my partner which would in turn be divided up 25/25/50.

EXAMPLE: A \$100 item would yield us \$75 / That \$75 then is divided into \$37.50 Friend (owner of inventory) / \$18.75 for me / \$18.75 for my partner

I was honestly expecting for my friend and I to average about \$9 an hour for our work. 2 hours work would equal \$18.75.

Even though this is simple math ... it's easy to see how this might get complicated as to the way things would be divied up.

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December 2004
¥ January 2005
February 2005
<b>■</b> March 2005
<b>₮</b> <u>April 2005</u>
<b>₽</b> <u>May 2005</u>
<b>₽</b> June 2005
<b>₽</b> <u>July 2005</u>
<b>₽</b> August 2005
September 2005
October 2005
November 2005
December 2005
January 2006
February 2006
Current Posts

charged 35% flat, once you had reached \$500 in sales, your rate went down to 25% flat.

Having sold 1000's of items on eBay myself, I could see how, after eBay and Paypal fees (which average 8.5% of the final winning bid), a business such as this could make a reasonable profit.

A couple of notes before I begin Part II:

I was served a letter from an attorney representing Bidzirk.

In this letter, the following was alleged:

1. That I posted Bidzirk's logo without permission and that it is covered under trademark and service mark law. I did post it, but as a reporter I have the right to publish it without permission. I am not profiting from this image, nor am I portraying that I sell items from Bidzirk. I am also not using the Bidzirk logo as my own. The attorney made mention of the Lanham Act but did not cite the specific reason for quoting this law. The Lanham Act specifically excludes my reporting.

Here's the 1st amendment & <u>Lanham Act</u> for the attorney and anyone else who wants to challenge my right to publish:

## Article I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

### Directly as stated on The Cornell Law Website:

The Lanham Act defines the statutory and common law boundaries to trademarks and service marks. Trademarks (and service marks) are words or designs used in the advertising of goods and services. Rights

to use a trademark are defined by the class(es) for which the trademark is used. Therefore, it is possible for different parties to use the same trademark in different classes. The Lanham Act defines the scope of a trademark, the process by which a federal registration can be obtained from the Patent and Trademark Office for a trademark, and penalties for trademark infringement.

The following shall not be actionable under this section:

- (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.
- (B) Noncommercial use of a mark.
- (C) All forms of news reporting and news commentary.

So to exercise my rights according to the 1st amendment and the Lanham Act:



2. Their attorney says I am lumping all listing companies into one category and associating all of the problems faced with these companies to Bidzirk. According to this attorney this amounts to libel. I have experienced all of the problems with Bidzirk as I have reported ... how does this attorney think I came up with the list of problems?

Libel as defined by Nisus Thesaurus:

... consisting of false and malicious publication printed for the

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purpose of defaming a living person

3. Objection was taken to my mention of the owner personally; concerning his honeymoon and his difficulty with traffic ... that made him late to our first meeting. The claim is that these remarks are damaging to the owner's business reputation, the remarks were unprofessional, and mention of his previous business ventures were immaterial and slanted for sensationalism.

I have since updated the 1st installment to include a Greenville Journal link that shows how the owner promoted his business hand in hand (pun intended) with the start up of Bidzirk and his new marriage. It is also pertinent to my situation to convey involvement and how the owner (and other dropoff companies) might be overwhelmed ... and not able to handle business such as we brought to their company. I was promised and reassured several times that this was being handled as fast and as profittable as possible. It is worthy to note that a new marriage deserves dedication ... but that it may have taken away from time to dedicate to our level of customer.

## PART TWO: Fast Talking & Funny Business

eBay ~ Weird Al Yankovic

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I am reporting accurately on what happened to convey what COULD happen to others. My intent in reporting on this is to prevent recurrence of the same, not to destroy or damage Bidzirk, and certainly not in revenge. I am merely continuing to report as this site has for 2 years on issues that merit attention. This is a consumer advocacy site.

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While listing companies may initially view the article as a deterrent to consumers using them, if they will conform to the practices suggested by this report, they will likely increase the amount of business that they do.

Two good analogies apply in this case.

The first is the consumer group such as Consumers Union (publisher of Consumer Reports) that has long reported on car companies and dealers and their various consumer-harming and consumer beneficial practices. One such case, was that of the Suzuki Samurai and its rollover problems. That reporting resulted in the Consumers Union getting involved in a very long and expensive lawsuit, but you know what? Suzuki's newest cars don't have this problem anymore and people are purchasing their products as a result. Had they continued the Samurai line as is, they might be out of business by now. Had they responded to the Consumers Union by saying that they would do anything and everything to remedy the problem, they would probably be in even better shape as a company. They only did half of that and are probably only reaping half of the benefit. The Consumer's Union has continued to report as they always have and have made note when Suzuki produced cars that did not demonstrate these same problems. I think it is more than fair to say that the entire automotive industry took note of this and that consumers have become very well protected against what could have been a rollover epidemic. SUVs have certainly soared in popularity despite this reporting, so I think everyone benefited from the CU report. THAT is exactly what I am trying to do here. I'm reporting for the benefit of both the listing companies and the consumers involved.

The second analogy concerns the other practice that Americans have long made use of to sell things that they own: Real Estate. Think of what would happen if realtors started incorporating various fees into their billing aside from the 6% flat fee that represented their

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commission and that the total cost of selling a home started to approach 20%. People would be in an uproar, not because of the principle, but because of the outrageous amount of money that they would be losing. Most people are willing to shrug off a \$25 loss on a \$75 piece of collectible something or other and simply not ever use the service again. People will not shrug off a loss of \$10,000, however. In both cases, you feel you were misled. One is actionable, the other not.

One other legal issue, concerning this situation, that will be expanded on in Part III, concerns our final meeting with Bidzirk (to collect monies that were 4 months overdue). No longer wishing to negotiate with Bidzirk, and exhausted by delay after delay, I informed the owner I wanted a quick 5 minute meeting ... complaint/check/shake hands. I informed him of this several times. I also informed him that we were ready to throw in the towel with them and just wanted to part ways, but felt like we had enough grounds for breach of contract lawsuit on grounds of contract to sell, delayed payments without interest, underperformance from advertised "top dollar auctions", and for nondisclosure of full fee structure.

At this meeting, the owner brought in an accountant that was a recent hire and they proceeded to lay out paper after paper after paper.

(Appearing to be laying out ways they were NOT going to compensate us fairly) I took exception to this ... reminded the owner of the *5 minute meeting request* ... he became angered ... I got upset (not to mention embarassed) and he handed over a check after I used the term "robbery" and conveying that we felt robbed after receiving in some instances \$2-\$3 for laptop cases that sold for \$17-\$25 ... and that we regularly sold these in our store for \$16.00 each and regularly sold damaged cases at the local flea market for \$5, \$7, and \$10.

So ... the owner hands me a check and tells me to read the back of it ... (Handwritten) "Cashing or Deposit of this check constitutes settlement

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between both parties"

So, Bidzirk came into this meeting already on the defensive.

My attorney states the following:

"Presenting a check with a handwritten notice (on the check) can not in any way make the check less liquid than immediate cash ... said check; given to anyone without an attorney present, or without previous typewritten notarized notice from an attorney is not binding. Further, it could be prosecuted as a post dated check.

Checks are meant to be as liquid as cash and under banking law to have no restrictions unless monies provided are a loan, or the other party states agreement BY WRITTEN NOTICE and signature on a separate notarized agreement"

I am using this article and heavily promoting it for listing companies to take notice. Hopefully, Bidzirk will change it's policies and learn from this experience as well.

I am not discouraging anyone from using listing companies ... I am encouraging them with my story to understand expectations ... but more importantly know what to expect... and to get a fair and unilaterally agreeable contract.

I want to put all subjects of my editorials on notice (in this case Bidzirk) ... threatening legal action over my right to publish truthful information is the wrong choice ... it exposes you to even more critique (elsewhere) and only serves to strengthen my point of view. My attorney is my most avid reader ... he warns me if anything I say crosses the line ... but in reality ... he has yet to warn me ... because I always tell the truth and have facts, letters, links, witnesses, and recorded phone calls to back everything up.

Before any business threatens an individual over exposure of their business or their name; they should be aware of The 1st Ammendment, The Lanham Act, and Electronic Communications Privacy Act.

## PART THREE: Unfast & Unfun

eBay ~ Weird Al Yankovic

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I hope that yesterday's installment gave you insight into many issues ... not just about eBay listing companies. It's time now to back up a bit and finish the factual, detailed (and journaled) account of the rest of my experience. In this segment, I will lay the story part to rest. The final segment, tomorrow, will provide you with a checklist for using a listing company and negotiation tips for large contracts with such companies.

Bidzirk's logo looks like this, advertising that their service is Fast & Fun:



This logo exudes fun and pop culture!

My partner in this plan to use Bidzirk has maintained from the time of our first problems that I was unchracteristically enthusiastic and leaniant considering all the problems we were having.

I loved the idea and I loved their logo and their nice looking stores. I wanted this to work. I was willing it to work really hard.

I'm going to repost the last segment of the story where I left off ... it is

critical to understand.

At this initial meeting, we discussed an inventory survey and pickup of some large items to help us get started. I made it clear to the owner of Bidzirk that I had momentarily throttled my own Apple Tech business and that my partner was depending on the income that we saw from Bidzirk. I also made it clear that this income would be split 25/25/50. So, the owner signed off on a contract that was to my understanding 25% cut for Bidzirk 75% for me and my partner which would in turn be divided up 25/25/50.

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Even though this is simple math ... it's easy to see how this might get complicated as to the way things would be divied up.

I was under the impression (and contractual understanding) that Bidzirk charged 35% flat, once you had reached \$500 in sales, your rate went down to 25% flat.

Having sold 1000's of items on eBay myself, I could see how, after eBay and Paypal fees (which average 8.5% of the final winning bid), a business such as this could make a reasonable profit.

At the first pickup of inventory, the owner very kindly offered to bring a couple of SUVs, a trailer, and some manpower.

We opened up ONE of the two warehouses we had at the storage facility

that we had the owner and his posse come to.

The owner introduced us to two of his employees ... young, hardworking, and intelligent men (around high school age).

The owner then introduced us to his wife and informed us that she would be writing down the inventory with two values:

What I expect to get from each item & estimated original value

I informed her that my colleague was also writing down the inventory on his PDA.

As these items were being loaded onto the trucks, I pointed out that some components should be removed and sold separately. In particular, I pointed out that the server cabinets had 20 outlet surge protection strips bolted to the inside, that fetch up to \$70 seperately on eBay. I also informed the owner that I had recently gotten around \$150 for server cabinets similar to the ones they were taking on this trip.



<sup>\*</sup> these particular cabinets are like the premium cabinets we gave them. I had recently sold a set similar for \$600. Bidzirk donated these (no sale) with the surge strips intact!

Further, for our consignment, they loaded IBM Netfinity Servers. I informed the owner that these fetched between \$350 and \$500 whole, but that they may want to test some of the auctions with parts ... these; being servers have easy to access and easy to remove parts.



The owner asked several times if we were writing everything down as it was placed on the trailer and the trucks.

In the course of about an hour we filled up three SUVs, a truck, and a trailer.

Estimated eBay value of this first trip: about \$3000 - \$4000.

This trip made a dent ... my colleague and I sighed with relief.

We set up a second trip.

On the second visit, graciously again, the owner obtained a moving truck with a large hauling area.

Things went pretty much the same. However, this time ... one of his employees was writing down the inventory.

One of them piped up and said, "Do these things actually sell? These have like Pentium II Processors in them" (referring to the IBM Netfinity Servers)

I said, "They go for around \$400 each on eBay ... they originally sold for upwards of \$15,000 and as high as \$25,000 as configured."

I told him these were in use just months ago and were released in 1999, 2000, and 2001. I also told him most of them were maxxed out as far as

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hard drives and memory.

The owner made a quick quip that they would be constrained for space between the two stores that they were operating, but assured us ... it could be done!

This second trip had an estimated eBay value (by me; a 9 year eBay veteran who had actually recently sold some of these items) of \$4000 - \$6,000

A third pickup was scheduled soon after as we informed the owner we had a timeframe of a complete empty of THIS particular storage facility by the end of June (2005) ... which was only a few days away.

At the previous meeting, I had suggested Bidzirk buy a long cab van and have it wrapped with their awesome logo.

At the third meeting, the owner wheels up in a shiny new long cab van ... speaking of how good an idea it was and how it would really help him serve big customers such as ourselves.

This meeting pretty much emptied this warehouse as much as possible.

Estimated value of this trip/consignment: \$1500 - \$2500.

Due to some conflicts of my own, we were in the warehouse a few extra days ... but since I knew the manager really well, he let us have the extra days free.

All of this was the fast and fun part ... it happened according to my plan and to my colleague's disbelief. He thought my goal was unattainable ... but since he believed in me so much ... he was willing to give it a try.

A number of weeks passed ... a few small mediocre \$\$ amount checks had trickled in, most for items that were sold 4, 5, and 6 weeks prior.

We had told Bidzirk a rule on eBay they were unaware of: *The compete* against yourself rule ... if you list too many of the same item at the

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same time, your average ending bid will be lower, because people will just bid in your other auctions rather than bidding up other auctions.

I monitored the auctions closely. Things were being listed slowly, not at all, or with really overdone descriptions that focused too much on technical detail and pictoral content and not enough value to the buyer and what the bidder could actually do with the items.

Whole Netfinity servers were going for \$150 or less (or not at all)

We set up a meeting ... my colleague let me do most of the talking ... I am the eBay guru. However, he and I have a synergy to be able to convey any point, come up with amazing ideas, consult about anything, and solve any problem that exists ... we are working on the meaning of life right now. (laugh ... that was a joke!)

I am the technical and critical, he is the kind hearted seasoned professional who you just ... well ... like.

Not overstepping our boundaries we made suggestions (almost like a thinktank) for the owner to implement into his stores and the listings ... hopefully to boost sales.

First and foremost ... we suggested using us to come in and consult (for free) on how to make the descriptions better to achieve not only higher winning bids ... but to intice bidder wars. We mentioned that if this consulting worked out ... maybe at future locations we could partner and have a quarterly seminar on the tactics for eBay listing. After all, my cohort was an excellent salesman who had worked with HP for several years. And ... I had actaully taught eBay at the local technical college as a continuing education / adult education class.



One suggestion my colleague had was to produce T-Shirts with the cool Bidzirk logo on them and give them to high volume customers (wink wink) as incentives. Possibly even to sell these items up front in the store to customers that walked in. It was like free advertising ... my clients often ask me about the companies I support.

Another suggestion we made was ... make eBay more local. Have a window display with a rotating base ... like a Macy's New York streetside display. At the bottom of the rotating base ... have a monitor that showed the real time bidding and what the item was at or what it ended for ... it would sit there until payment was received and the item was shipped.

<u>Part of the press release</u> for <u>Bidzirk</u> to my community was:

## "Shopping locally strengthens our community"

Not only would this idea bring in potential bidders who could could pick the item up rather than risk shipping, but it would bring potential sellers into Bidzirk ... because they could say ... I have something like that I could sell

The owner thanked us for making the suggestions and said he would implement what he thought best.

More time passed ... fewer checks came in ... but this time, I had a payment issue . . . the auctionwagon system that I had access to was indicating we had been paid almost double what we actually had ... another meeting was scheduled.

This meeting was essentially a rehash of the last ...

The owner met us at one of his dropoff stores and presented us each with T-Shirts, golf shirts, and hats. They were very high quality and eventhough nothing special, it gave me warm fuzzies.



At this meeting ... we brought up the importance of pictures ... one was watermarking pictures that were posted ... I had noticed that some people were selling identical laptop bags with the pictures Bidzirk was taking. I also stressed that too many sterile pictures only serves to overdue and undersell ... not to mention take extra time.

We suggested that Bidzirk try FreeCycle for items that did not sell and the seller did not want. Freecycle is a newsgroup where people can post items they do not want and people will come pick them up ... free. We thought this was an excellent suggestion ... freecyclers are almost always bargain hunters and resellers themselves. Most freecyclers, get items for the sole purpose of lising on eBay. What if Freecyclers came in for a pick up and thought, "Wow, instead of giving my stuff away, I might could make a little money from it"?

We also discovered that a glitch in the accounting system prevented payment if the item had not shipped ... even if it had been paid for.

(For instances of local pickup)

We were made aware that someone had paid almost 40 days prior for a large portion of inventory, but had been slack about picking the items up. We pleaded with Bidzirk to take action and tell the buyer the items would be resold in 15 days if no pick up was made. The owner agreed.

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Another couple of weeks went by ... same frustrations.

My cohort and I started to list duplicate items we had given to Bidzirk ourselves. (He and I were both active on eBay already)

One day in August of 2005, I was at my cohort's office when I get a phone call from the owner of Bidzirk (recorded):

"... I have to be honest, my temper has the best of me right now. I'm quite furious. You're selling laptop bags, using our picture and a slightly modified description. I thought we had an agreement to sell these bags for you. These were ours to sell. You had an agreement."

Remember how I described to the owner that people compete against you with your own pictures and descriptions?

We <u>had an agreement</u> ... the bags Bidzirk was selling were selling slow, we were getting 70/30 splits (Bidzirk's favor) and we had a mass inventory of these bags.

After talking through it ... we came to a resolution.

I felt (or in actuality was made to feel) I had done something wrong. My colleague had been upset for some time before this because we were not getting our fair share of funds from this arrangement. The owner of the inventory was starting to wonder if I had just taken some of the money. Now, the owner of Bidzirk was accusing me of intellectual property theft.

Without my partner knowing and against my own best judgement ... I asked the owner to come to another warehouse ... get more bags and more Netfinity Servers. At this time he also took several hundred video adapters and a few HP Netsevers. (Estimated value \$1200 - \$1500)

In late August, we met with the owner again ... this time to finally

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resolve our payment discrepancy ... at this meeting we discovered for the first time that we were actually being charged 35% + an average of 12% for fees (eBay listing fees and Paypal fees)

We addressed this with the owner and he apologized for the miscommunication ... as a concession (which I wasn't too pleased about) ... he lowered our percent to 30% + eBay and Paypal fees.

We accepted (my partner unwillingly, but continuing to trust my judgement)

In early September, I carried a few boxes of high end digital video and image editting software in a personal lot to Bidzirk. Estimated value (as I had already sold one of most every item I took to them) \$5000 - \$7500.

To the other Bidzirk location I also took some personal affects:

An SUV tiremount bike rack, an on the card Star Wars figure, and a boxed lot of Vintage Apple Computer Manuals, software, and a disk drive, and PowerBook RAM.

These items I was going to use as an experiment. With the exception of the bike rack, I had just sold these items in exact same condition on eBay myself.

The bike rack and PowerBook RAM actually got what I expected. In fact, the PowerBook 1400 RAM got a slight premium by about \$5 above the average auction ... but admittedly this was new, sealed in an Apple Service part box. Also, memory sells itself. No credit to Bidzirk on that one ... just an accurate title would have sold the auction at a premium.

This is the kicker ... my share was \$21.12! (From \$38.32)

As for the Star Wars figure which was still sealed in it's original package ...

Out of the package (and complete with accessories) it was averaging \$25

\$33.50 ... my cut was \$18.01



Take into account that I was now at a 30% rate + 9% eBay and Paypal fees. The RAM was a 45% cut for Bidzirk. The Star Wars figure was a 47% cut for Bidzirk.

As for the Vintage Apple Computer manual lot - no winning bidder. This exact duplicate auction had gotten me \$60 just two weeks prior. This auction was in fact; donated. Suspiciously, I might add. As Bidzirk does business with another person locally that sells Apple Computer items through them. This is the only item on our invoice spreadsheet that says DONATED ... all other non selling items say FREECYCLED or RETURNED.

Several phone conversations and personal meetings with the two of us ... and eventually just me alone... continued throughout September, and October.

Slow checks ... low amounts and no checks at all; continued.

In early November of 2005 I had scheduled a meeting in a brief face to face with the owner. The day before the meeting ... I get a phone call.

Paraphrased ... "Rus, we're waiting on ya, did you forget."

No, I had specifically typed it in my phone for the following day and knew I would be at a client.

Maybe, I'm just being picky about this point and about our first meeting where he was late ... but these two instances just illustrate my points

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about involvement and dedication to our level of customer.

In this meeting we went over a mountain of paperwork ... I was introduced to two new hires ... and I was told I would have a check for the discrepancies (they had found) in 10 days. One of the new hires gave me his personal number. 10 days passed. I emailed. Reply came the next day saying accounting was still working on it, but that nothing would done until after Thanksgiving.

In the meantime, my colleague and I had drawn up a new contract. I wanted to present this to the owner and have him sign it. I had called him in early November ... to remind him of a meeting we needed to schedule. He called me in Late November, apologizing for being late about being late to call me back! (Did you get that?)

My colleague and I scheduled a final meeting.

I spoke with the owner twice on the phone before this meeting saying I wanted this to be a quick 5 minute meeting and that I was not willing to go over any other figures.

(At this point we had completely thrown out the deal of a new contract)

At this meeting, the owner brought in an accountant that was a recent hire (mentioned before) and they proceeded to lay out paper after paper after paper. (Appearing to be laying out ways they were NOT going to compensate us fairly) I took exception to this ... reminded the owner of the 5 minute meeting request ... he became angered ... I got upset (not to mention embarassed) and he handed over a check after I used the term "robbery" and conveying that we felt robbed after receiving in some instances \$2-\$3 for laptop cases that sold for \$17-\$25 ... and that we regularly sold these in our store for \$16.00 each and regularly sold damaged cases at the local flea market for \$5, \$7, and \$10.

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I won't even go into the issue of other items that I have since found out were FREECYCLED, unsold, or sold for far lower than average eBay auctions ... I feel embrassed that this has happened to me and my business partners.

## PART FOUR: Let's Get Out Of Here Fast & This Wasn't Any Fun

eBay ~ Weird Al Yankovic

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I could elaborate more, but honestly I'm trying to put this behind me. I will end with a few more details concerning my problems with an eBay dropoff ...

- \* One thing I was not able to incorporate into the story well ... easy auction monitoring. At first, I received an email every couple of days telling me an item had been listed, then, a few days later, that the item had sold. After 60 days, I no longer received these emails. I had to monitor the auctions manually (which was time consuming). This is when things started going very wrong.
- \* In total, the owner came to my warehouses 7 times ... these warehouses were within 2 miles of one location and 5 miles of another. I dropped off on 5 separate occasions \$7000 \$9000 (eBay value) of additional inventory.
- \* The owner constantly asked for more inventory and we constantly asked him to take it ... but in the end ... our excuse for underperformance was . . . "being overwhelmed" ... something we had not really heard until the end. This made no sense to us ... Bidzirk has 10+ employees. If I dedicated my entire week to eBay ... I could list 100

items+ a week, and ship them. (I did just that in the year 2000)

- \* Our auctions had accounted for nearly 1/8 of the total positive feedback for both locations of Bidzirk ... with no negatives that I am aware of.
- \* By my best estimate ... we accounted for nearly 1/8 of all revenue Bidzirk received for the first 4 months of our contract.
- \* The ACTUAL APPRAISED value of the items we consigned, by a paid professional was \$40,000 ... for all items given to Bidzirk.
- \* The estimated eBay value by me (by doing research of completed listings and listing items myself) was \$25,000-\$28,000.
- \* Bidzirk received approximately \$7500 for all the inventory they consigned. They were given approximately 2700 items ... they sold approximately 300 items ... and returned approximately 1400 items. Take into account, that for 6 months work ... After I divided this up amongst my partners ... I received 1/4 of approximately \$7500!! When I was expecting to receive 1/4 of \$25,000 - \$28,000!!!
- \* The discrepancy in items sold and returned vs given to consign is an issue of breaking items down and accounting for items that were sold in lots too large, items that were donated, freecycled, or are missing or unaccounted for, at this time. It also consists of approximately 900 unsold video adapters that average \$5-\$7 each on eBay. These adapters were not even attempted for sale by Bidzirk.
- \* It is important to note that just about all eBay sellers (even if they charge actual shipping) usually make about 10% of the auction end price back through shipping.

As an eBay veteran, I have learned different methods of shipping items that yield me reasonable money - that is in addition to the end price.

Most eBay listers get volume discounts from shipping companies and

In general, eBay sellers do not pass these savings to the buyer.

I charge within 10% of USPS Priority Mail Rate.

I ship larger packages by DHL - which on average is 30% lower than USPS **Priority** (with the discounts I use)

I ship smaller packages by USPS First Class rate which is 5% - 25% lower than USPS Priority in most cases.

I ship almost all software media rate which is 50% lower than USPS Priority.

I do not charge for boxes, packaging material, and I do not charge a handling fee. I get my packaging materials for free and I recycle materials.

I will give you an instance of how an eBay listing company makes money that they do not divide up with the consigner ...

If I sell an iLife '05 software package on eBay I charge \$4.50 for shipping. This consists of \$3.85 USPS Priority and 65 cents insurance.

I will ship this software for \$2.27 or less by Media Rate. As a seller, this gives me a 49% profit on the shipping. In most cases, the package arrives at the destination in the same time frame or one day later than USPS Priority.

Now, compare this to your average listing company:

They set minimum shipping charges ... on average something such as iLife '05 would cost \$4.95 - \$9.95 to ship from them.

It's important to understand this small tidbit of information.

If a listing company (such as Bidzirk) is charging you 44% (35% + 9% eBay/ Paypal) fees (as Bidzirk does) then they make an average of 10% back

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on shipping of YOUR ITEM ... does any reader find this fair?

I will give credit to Bidzirk, in that, they were fair with the prices they charge for shipping. But the analogy above still applies.

Next ... my colleague and I were volume customers. A significant portion of the items Bidzirk sold, were items that could be relisted over and over again.

The first item is the bulk of the work ... research, typing description, database entry, figuring out shipping details.

The next 100 items are simply two mouse clicks ... that's it!

Should we be charged the same on the 100th item (44% +) as we were on the first item (44%+)?

This is where I drew an analogy of robbery with the owner in our final meeting. We gave them several hundred AS NEW Dell Laptop bags ... on average these sell for between \$17 and \$25. On average we got approximately \$3 each for them as our cut. (Due to improper listing, relisting fees, bulk lot sales, etc)

It has taken me weeks of work (time that I did not have) to make sense of this accounting nightmare ... something I had conclously tried to avoid by using a dropoff in the first place ...

THE END ...

Here is a helpful checklist to use if you decide to use an eBay Dropoff:



Dodged answers to any of these questions should be looked at with skepticism. Some are tough questions for a business owner to answer honestly.

#### Credentials:

What did you do previously that qualifies you to list online auctions?

How long have you been in business as a dropoff?

Have you ever collected anything? (Collectors, hobbyists, enthusiasts are auction mentality and understand the value and salesmanship of the auction format)

What is your definition of the term "pop culture"?

#### Fees:

Your minimum & maximum percentage from an auction will be? (all fees included)

What has been your highest percent been thus far taken from a consigner's auction? Was that person happy with the split?

Have you ever had any problems with the way you divided up monies?

Can you show me a check or an actual breakdown of what you paid your last 3 customers?

If I sell a \$100 item ... I want to know the least and most money I can expect to receive ...

Will you consider a flat rate? Meaning (inclusive of all fees) a certain percent ... 25% 30% 33%?

Do you pass eBay special listing savings on to me (the consigner)? (eBay sometimes has specials such as 1 cent buy it now fee or 1 cent listing fee day)

### Payments:

From the day I bring an item in, what is the exact day I can expect

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my money ... say I bring something in today?

What incentive do I get ... if you cannot meet this date?

Do you have any fees for checks? Do you offer discounts for check pickup?

Do you accept credit cards directly?

#### Auctions:

What will be done with my item if it doesn't sell?

If you donate items, do you take a tax writeoff for your business or can you obtain a receipt for me?

Do you know about Freecycle?

Can you send a link to my auctions via email?

Are you aware of "the compete against yourself rule" - if too many of the same item is listed or ebay is saturated with an item ...my items may not get a premium

### Shipping:

What do you charge for shipping?

Do you make any money from shipping?

Do you think shipping prices affect bid totals?

Do you insure your items?

(PDF file will come soon ... will have to figure out how to host it)

\* I am working on a detailed list of dropoff companies that will be posted in the reference section in the sidebar, at the right, soon.

posted by JackWhispers @ 4:33 PM Ocomments links to this post \_

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Special Report: You Gotta Be Berserk To Use An eBay Listing Company! Pt IV

## PART FOUR: Let's Get Out Of Here Fast & This Wasn't Any Fun

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posted by JackWhispers @ 10:49 AM 0 comments links to this post

Friday, December 30, 2005

# Special Report: You Gotta Be Berserk To Use An eBay Listing Company! Pt III

## PART THREE: Unfast & Unfun

eBay ~ Weird Al Yankovic

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I hope that yesterday's installment gave you insight into many issues ...

not just about eBay listing companies. It's time now to back up a bit and finish the factual, detailed (and journaled) account of the rest of my experience. In this segment, I will lay the story part to rest. The final segment, tomorrow, will provide you with a checklist for using a listing company and negotiation tips for large contracts with such companies.

Bidzirk's logo looks like this, advertising that their service is Fast & Fun:



This logo exudes fun and pop culture!

My partner in this plan to use Bidzirk has maintained from the time of our first problems that I was unchracteristically enthusiastic and leaniant considering all the problems we were having.

I loved the idea and I loved their logo and their nice looking stores. I wanted this to work. I was willing it to work really hard.

I'm going to repost the last segment of the story where I left off ... it is critical to understand.

At this initial meeting, we discussed an inventory survey and pickup of some large items to help us get started. I made it clear to the owner of Bidzirk that I had momentarily throttled my own Apple Tech business and that my partner was depending on the income that we saw from Bidzirk. I also made it clear that this income would be split 25/25/50. So, the owner signed off on a contract that was to my understanding 25% cut for Bidzirk 75% for me and my partner which would in turn be divided up 25/25/50.

EXAMPLE: A \$100 item would yield us \$75 / That \$75 then is

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divided into \$37.50 Friend (owner of inventory) / \$18.75 for me /

\$18.75 for my partner

I was honestly expecting for my friend and I to average about \$9 an hour for our work. 2 hours work would equal \$18.75.

Even though this is simple math ... it's easy to see how this might get complicated as to the way things would be divied up.

I was under the impression (and contractual understanding) that Bidzirk charged 35% flat, once you had reached \$500 in sales, your rate went down to 25% flat.

Having sold 1000's of items on eBay myself, I could see how, after eBay and Paypal fees (which average 8.5% of the final winning bid), a business such as this could make a reasonable profit.

At the first pickup of inventory, the owner very kindly offered to bring a couple of SUVs, a trailer, and some manpower.

We opened up **ONE** of the two warehouses we had at the storage facility that we had the owner and his posse come to.

The owner introduced us to two of his employees ... young, hardworking, and intelligent men (around high school age).

The owner then introduced us to his wife and informed us that she would be writing down the inventory with two values:

What I expect to get from each item & estimated original value

I informed her that my colleague was also writing down the inventory on his PDA.

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As these items were being loaded onto the trucks, I pointed out that some components should be removed and sold separately. In particular, I pointed out that the server cabinets had 20 outlet surge protection strips bolted to the inside, that fetch up to \$70 seperately on eBay. I also informed the owner that I had recently gotten around \$150 for server cabinets similar to the ones they were taking on this trip.



\* these particular cabinets are like the premium cabinets we gave them. I had recently sold a set similar for \$600. Bidzirk donated these (no sale) with the surge strips intact!

Further, for our consignment, they loaded IBM Netfinity Servers. I informed the owner that these fetched between \$350 and \$500 whole, but that they may want to test some of the auctions with parts ... these; being servers have easy to access and easy to remove parts.



The owner asked several times if we were writing everything down as it

was placed on the trailer and the trucks.

In the course of about an hour we filled up three SUVs, a truck, and a trailer.

Estimated eBay value of this first trip: about \$3000 - \$4000.

This trip made a dent ... my colleague and I sighed with relief.

We set up a second trip.

On the second visit, graciously again, the owner obtained a moving truck with a large hauling area.

Things went pretty much the same. However, this time ... one of his employees was writing down the inventory.

One of them piped up and said, "Do these things actually sell? These have like Pentium II Processors in them" (referring to the IBM Netfinity Servers)

I said, "They go for around \$400 each on eBay ... they originally sold for upwards of \$15,000 and as high as \$25,000 as configured."

I told him these were in use just months ago and were released in 1999, 2000, and 2001. I also told him most of them were maxxed out as far as hard drives and memory.

The owner made a quick quip that they would be constrained for space between the two stores that they were operating, but assured us ... it could be done!

This second trip had an estimated eBay value (by me; a 9 year eBay veteran who had actually recently sold some of these items) of \$4000 - \$6,000

A third pickup was scheduled soon after as we informed the owner we had a timeframe of a complete empty of THIS particular storage facility

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by the end of June (2005) ... which was only a few days away.

At the previous meeting, I had suggested Bidzirk buy a long cab van and have it wrapped with their awesome logo.

At the third meeting, the owner wheels up in a shiny new long cab van ... speaking of how good an idea it was and how it would really help him serve big customers such as ourselves.

This meeting pretty much emptied this warehouse as much as possible.

Estimated value of this trip/consignment: \$1500 - \$2500.

Due to some conflicts of my own, we were in the warehouse a few extra days ... but since I knew the manager really well, he let us have the extra days free.

All of this was the fast and fun part ... it happened according to my plan and to my colleague's disbelief. He thought my goal was unattainable ... but since he believed in me so much ... he was willing to give it a try.

A number of weeks passed ... a few small mediocre \$\$ amount checks had trickled in, most for items that were sold 4, 5, and 6 weeks prior.

We had told Bidzirk a rule on eBay they were unaware of: *The compete against yourself rule* ... if you list too many of the same item at the same time, your average ending bid will be lower, because people will just bid in your other auctions rather than bidding up other auctions.

I monitored the auctions closely. Things were being listed slowly, not at all, or with really overdone descriptions that focused too much on technical detail and pictoral content and not enough value to the buyer and what the bidder could actually do with the items.

Whole Netfinity servers were going for \$150 or less (or not at all)

We set up a meeting ... my colleague let me do most of the talking ... I am the eBay guru. However, he and I have a synergy to be able to

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convey any point, come up with amazing ideas, consult about anything, and solve any problem that exists ... we are working on the meaning of life right now. (laugh ... that was a joke!)

I am the technical and critical, he is the kind hearted seasoned professional who you just ... well ... like.

Not overstepping our boundaries we made suggestions (almost like a thinktank) for the owner to implement into his stores and the listings ... hopefully to boost sales.

First and foremost ... we suggested using us to come in and consult (for free) on how to make the descriptions better to achieve not only higher winning bids ... but to intice bidder wars. We mentioned that if this consulting worked out ... maybe at future locations we could partner and have a quarterly seminar on the tactics for eBay listing. After all, my cohort was an excellent salesman who had worked with HP for several years. And ... I had actaully taught eBay at the local technical college as a continuing education / adult education class.

One suggestion my colleague had was to produce T-Shirts with the cool Bidzirk logo on them and give them to high volume customers (wink wink) as incentives. Possibly even to sell these items up front in the store to customers that walked in. It was like free advertising ... my clients often ask me about the companies I support.

Another suggestion we made was ... make eBay more local. Have a window display with a rotating base ... like a Macy's New York streetside display. At the bottom of the rotating base ... have a monitor that showed the real time bidding and what the item was at or what it ended for ... it would sit there until payment was received and the item was shipped.

Part of the press release for Bidzirk to my community was:

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## "Shopping locally strengthens our community"

Not only would this idea bring in potential bidders who could could pick the item up rather than risk shipping, but it would bring potential sellers into Bidzirk ... because they could say ... I have something like that I could sell

The owner thanked us for making the suggestions and said he would implement what he thought best.

More time passed ... fewer checks came in ... but this time, I had a payment issue . . . the auctionwagon system that I had access to was indicating we had been paid almost double what we actually had ... another meeting was scheduled.

This meeting was essentially a rehash of the last ...

The owner met us at one of his dropoff stores and presented us each with T-Shirts, golf shirts, and hats. They were very high quality and eventhough nothing special, it gave me warm fuzzies.

At this meeting ... we brought up the importance of pictures ... one was watermarking pictures that were posted ... I had noticed that some people were selling identical laptop bags with the pictures Bidzirk was taking. I also stressed that too many sterile pictures only serves to overdue and undersell ... not to mention take extra time.

We suggested that Bidzirk try FreeCycle for items that did not sell and the seller did not want. Freecycle is a newsgroup where people can post items they do not want and people will come pick them up ... free. We thought this was an excellent suggestion ... freecyclers are almost always bargain hunters and resellers themselves. Most freecyclers, get items for the sole purpose of lising on eBay. What if Freecyclers came in for a pick up and thought, "Wow, instead of giving my stuff away, I might could make a little money from it"?

We also discovered that a glitch in the accounting system prevented payment if the item had not shipped ... even if it had been paid for.

(For instances of local pickup)

We were made aware that someone had paid almost 40 days prior for a large portion of inventory, but had been slack about picking the items up. We pleaded with Bidzirk to take action and tell the buyer the items would be resold in 15 days if no pick up was made. The owner agreed.

Another couple of weeks went by ... same frustrations.

My cohort and I started to list duplicate items we had given to Bidzirk ourselves. (He and I were both active on eBay already)

One day in August of 2005, I was at my cohort's office when I get a phone call from the owner of Bidzirk (recorded):

"... I have to be honest, my temper has the best of me right now. I'm quite furious. You're selling laptop bags, using our picture and a slightly modified description. I thought we had an agreement to sell these bags for you. These were ours to sell. You had an agreement."

Remember how I described to the owner that people compete against you with your own pictures and descriptions?

We <u>had an agreement</u> ... the bags Bidzirk was selling were selling slow, we were getting 70/30 splits (Bidzirk's favor) and we had a mass inventory of these bags.

After talking through it ... we came to a resolution.

I felt (or in actuality was made to feel) I had done something wrong. My colleague had been upset for some time before this because we were not getting our fair share of funds from this arrangement. The owner of the inventory was starting to wonder if I had just taken some of the

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money. Now, the owner of Bidzirk was accusing me of intellectual property theft.

Without my partner knowing and against my own best judgement ... I asked the owner to come to another warehouse ... get more bags and more Netfinity Servers. At this time he also took several hundred video adapters and a few HP Netsevers. (Estimated value \$1200 - \$1500)

In late August, we met with the owner again ... this time to finally resolve our payment discrepancy ... at this meeting we discovered for the first time that we were actually being charged 35% + an average of 12% for fees (eBay listing fees and Paypal fees)

We addressed this with the owner and he apologized for the miscommunication ... as a concession (which I wasn't too pleased about) ... he lowered our percent to 30% + eBay and Paypal fees.

We accepted (my partner unwillingly, but continuing to trust my judgement)

In early September, I carried a few boxes of high end digital video and image editting software in a personal lot to Bidzirk. Estimated value (as I had already sold one of most every item I took to them) \$5000 - \$7500.

To the other Bidzirk location I also took some personal affects:

An SUV tiremount bike rack, an on the card Star Wars figure, and a boxed lot of Vintage Apple Computer Manuals, software, and a disk drive, and PowerBook RAM.

These items I was going to use as an experiment. With the exception of the bike rack, I had just sold these items in exact same condition on eBay myself.

The bike rack and PowerBook RAM actually got what I expected. In fact, the PowerBook 1400 RAM got a slight premium by about \$5 above the

average auction ... but admittedly this was new, sealed in an Apple

Service part box. Also, memory sells itself. No credit to Bidzirk on that one ... just an accurate title would have sold the auction at a premium.

This is the kicker ... my share was \$21.12! (From \$38.32)

As for the Star Wars figure which was still sealed in it's original package ...

Out of the package (and complete with accessories) it was averaging \$25 - \$35. On the card, the auctions ranged from \$60 - \$73. Bidzirk got \$33.50 ... my cut was \$18.01



Take into account that I was now at a 30% rate + 9% eBay and Paypal fees. The RAM was a 45% cut for Bidzirk. The Star Wars figure was a 47% cut for Bidzirk.

As for the Vintage Apple Computer manual lot - no winning bidder. This exact duplicate auction had gotten me \$60 just two weeks prior. This auction was in fact; donated. Suspiciously, I might add. As Bidzirk does business with another person locally that sells Apple Computer items through them. This is the only item on our invoice spreadsheet that says DONATED ... all other non selling items say FREECYCLED or RETURNED.

Several phone conversations and personal meetings with the two of us and eventually just me alone continued throughout September, and October.

Slow checks ... low amounts and no checks at all; continued.

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In early November of 2005 I had scheduled a meeting in a brief face to face with the owner. The day before the meeting ... I get a phone call.

Paraphrased ... "Rus, we're waiting on ya, did you forget."

No, I had specifically typed it in my phone for the following day and knew I would be at a client.

Maybe, I'm just being picky about this point and about our first meeting where he was late ... but these two instances just illustrate my points about involvement and dedication to our level of customer.

In this meeting we went over a mountain of paperwork ... I was introduced to two new hires ... and I was told I would have a check for the discrepancies (they had found) in 10 days. One of the new hires gave me his personal number. 10 days passed. I emailed. Reply came the next day saying accounting was still working on it, but that nothing would done until after Thanksgiving.

In the meantime, my colleague and I had drawn up a new contract. I wanted to present this to the owner and have him sign it. I had called him in early November ... to remind him of a meeting we needed to schedule. He called me in Late November, apologizing for being late about being late to call me back! (Did you get that?)

My colleague and I scheduled a final meeting.

I spoke with the owner twice on the phone before this meeting saying I wanted this to be a quick 5 minute meeting and that I was not willing to go over any other figures.

(At this point we had completely thrown out the deal of a new contract)

At this meeting, the owner brought in an accountant that was a recent hire (mentioned before) and they proceeded to lay out paper after paper after paper. (Appearing to be laying out ways they were NOT going to compensate us fairly) I took exception to this ... reminded the owner of the 5 minute meeting request ... he became angered ... I got upset (not to mention embarassed) and he handed over a check after I used the term "robbery" and conveying that we felt robbed after receiving in some instances \$2-\$3 for laptop cases that sold for \$17-\$25 ... and that we regularly sold these in our store for \$16.00 each and regularly sold damaged cases at the local flea market for \$5, \$7, and \$10.

I won't even go into the issue of other items that I have since found out were FREECYCLED, unsold, or sold for far lower than average eBay auctions ... I feel embrassed that this has happened to me and my business partners.

Come back for tomorrow's final installment:

#### Part IV: Let's Get Out This Fast & This Was No Fun

Don't forget, at the end ... I plan to post a checklist and guide (via PDF) for using listing companies that could save you literally thousands of dollars! (Not to mention hours of headaches and frustration.)

posted by JackWhispers @ 7:50 AM Ocomments links to this post \_

Wednesday, December 28, 2005

## You Gotta Be Berserk To Use An eBay Listing Company! Pt II

A couple of notes before I begin Part II:

I was served a letter from an attorney representing Bidzirk.

In this letter, the following was alleged:

1. That I posted Bidzirk's logo without permission and that it is

a reporter I have the right to publish it without permission. I am not profiting from this image, nor am I portraying that I sell items from Bidzirk. I am also not using the Bidzirk logo as my own. The attorney made mention of the Lanham Act but did not cite the specific reason for quoting this law. The Lanham Act *specifically* excludes my reporting.

Here's the 1st amendment & <u>Lanham Act</u> for the attorney and anyone else who wants to challenge my right to publish:

#### Article I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

#### Directly as stated on The Cornell Law Website:

The Lanham Act defines the statutory and common law boundaries to trademarks and service marks. Trademarks (and service marks) are words or designs used in the advertising of goods and services. Rights to use a trademark are defined by the class(es) for which the trademark is used. Therefore, it is possible for different parties to use the same trademark in different classes. The Lanham Act defines the scope of a trademark, the process by which a federal registration can be obtained from the Patent and Trademark Office for a trademark, and penalties for trademark infringement.

#### The following shall not be actionable under this section:

- (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.
- (B) Noncommercial use of a mark.
- (C) All forms of news reporting and news commentary.

So to exercise my rights according to the 1st amendment and the Lanham Act:



2. Their attorney says I am lumping all listing companies into one category and associating all of the problems faced with these companies to Bidzirk. According to this attorney this amounts to libel. I have experienced all of the problems with Bidzirk as I have reported ... how does this attorney think I came up with the list of problems?

#### Libel as defined by Nisus Thesaurus:

... consisting of false and malicious publication printed for the purpose of defaming a living person

3. Objection was taken to my mention of the owner personally; concerning his honeymoon and his difficulty with traffic ... that made him late to our first meeting. The claim is that these remarks are damaging to the owner's business reputation, the remarks were unprofessional, and mention of his previous business ventures were immaterial and slanted for sensationalism.

I have since updated the 1st installment to include a Greenville Journal link that shows how the owner promoted his business hand in hand (pun intended) with the start up of Bidzirk and his new marriage. It is also pertinent to my situation to convey involvement and how the owner (and other dropoff companies) might be overwhelmed ... and not able

to handle business such as we brought to their company. I was promised and reassured several times that this was being handled as fast and as profittable as possible. It is worthy to note that a new marriage deserves dedication ... but that it may have taken away from time to dedicate to our level of customer.

## PART TWO: Fast Talking & Funny Business

eBay ~ Weird Al Yankovic

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I am reporting accurately on what happened to convey what COULD happen to others. My intent in reporting on this is to prevent recurrence of the same, not to destroy or damage Bidzirk, and certainly not in revenge. I am merely continuing to report as this site has for 2 years on issues that merit attention. This is a consumer advocacy site.

While listing companies may initially view the article as a deterrent to consumers using them, if they will conform to the practices suggested by this report, they will likely increase the amount of business that they do.

Two good analogies apply in this case.

The first is the consumer group such as Consumers Union (publisher of Consumer Reports) that has long reported on car companies and dealers and their various consumer-harming and consumer beneficial practices. One such case, was that of the Suzuki Samurai and its rollover problems. That reporting resulted in the Consumers Union getting involved in a very long and expensive lawsuit, but you know what? Suzuki's newest cars don't have this problem anymore and people are purchasing their products as a result. Had they continued the Samurai line as is, they

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union by saying that they would do anything and everything to remedy the problem, they would probably be in even better shape as a company. They only did half of that and are probably only reaping half of the benefit. The Consumer's Union has continued to report as they always have and have made note when Suzuki produced cars that did not demonstrate these same problems. I think it is more than fair to say that the entire automotive industry took note of this and that consumers have become very well protected against what could have been a rollover epidemic. SUVs have certainly soared in popularity despite this reporting, so I think everyone benefited from the CU report. THAT is exactly what I am trying to do here. I'm reporting for the benefit of both the listing companies and the consumers involved.

The second analogy concerns the other practice that Americans have long made use of to sell things that they own: Real Estate. Think of what would happen if realtors started incorporating various fees into their billing aside from the 6% flat fee that represented their commission and that the total cost of selling a home started to approach 20%. People would be in an uproar, not because of the principle, but because of the outrageous amount of money that they would be losing. Most people are willing to shrug off a \$25 loss on a \$75 piece of collectible something or other and simply not ever use the service again. People will not shrug off a loss of \$10,000, however. In both cases, you feel you were misled. One is actionable, the other not.

One other legal issue, concerning this situation, that will be expanded on in Part III, concerns our final meeting with Bidzirk (to collect monies that were 4 months overdue). No longer wishing to negotiate with Bidzirk, and exhausted by delay after delay, I informed the owner I wanted a quick 5 minute meeting ... complaint/check/shake hands. I informed him of this several times. I also informed him that we were

but felt like we had enough grounds for breach of contract lawsuit on grounds of contract to sell, delayed payments without interest, underperformance from advertised "top dollar auctions", and for nondisclosure of full fee structure.

ready to throw in the towel with them and just wanted to part ways,

At this meeting, the owner brought in an accountant that was a recent hire and they proceeded to lay out paper after paper after paper.

(Appearing to be laying out ways they were NOT going to compensate us fairly) I took exception to this ... reminded the owner of the *5 minute meeting request* ... he became angered ... I got upset (not to mention embarassed) and he handed over a check after I used the term "robbery" and conveying that we felt robbed after receiving in some instances \$2-\$3 for laptop cases that sold for \$17-\$25 ... and that we regularly sold these in our store for \$16.00 each and regularly sold damaged cases at the local flea market for \$5, \$7, and \$10.

So ... the owner hands me a check and tells me to read the back of it ...

(Handwritten) "Cashing or Deposit of this check constitutes settlement between both parties"

So, Bidzirk came into this meeting already on the defensive.

My attorney states the following:

"Presenting a check with a handwritten notice (on the check) can not in any way make the check less liquid than immediate cash ... said check; given to anyone without an attorney present, or without previous typewritten notarized notice from an attorney is not binding. Further, it could be prosecuted as a post dated check.

Checks are meant to be as liquid as cash and under banking law to have no restrictions unless monies provided are a loan, or the other party states agreement BY WRITTEN NOTICE and signature on a separate notarized agreement"

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I am using this article and heavily promoting it for listing companies to take notice. Hopefully, **Bidzirk** will change it's policies and learn from this experience as well.

I am not discouraging anyone from using listing companies ... I am encouraging them with my story to understand expectations ... but more importantly know what to expect... and to get a fair and unilaterally agreeable contract.

I want to put all subjects of my editorials on notice (in this case Bidzirk) ... threatening legal action over my right to publish truthful information is the wrong choice ... it exposes you to even more critique (elsewhere) and only serves to strengthen my point of view. My attorney is my most avid reader ... he warns me if anything I say crosses the line ... but in reality ... he has yet to warn me ... because I always tell the truth and have facts, letters, links, witnesses, and recorded phone calls to back everything up.

Before any business threatens an individual over exposure of their business or their name; they should be aware of The 1st Ammendment, The Lanham Act, and <u>Electronic Communications Privacy Act</u>.

Tomorrow: Part III: UnFast & UnFun

Don't forget! At the end I plan to provide a checklist that you can use to take to a listing company to assist you in getting a fair and profittable agreement to sell your items.

posted by JackWhispers @ 11:50 PM 0 comments links to this post \_

Special Report: You Gotta Be Berserk To Use An eBay Listing Company!

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(Before you begin ... read the whole story by clicking here)

Today, Jackwhispers presents the first part of a **FOUR PART SERIES** about eBay listing companies . . . ( also known as *online auction consignment shops or eBay Dropoffs* )

I'll be telling my detailed story of using such a company and relate how my selling Apple Parts on eBay for 9 years has given me unique insight into the matter.



This will be a four part series on the problems with eBay listing companies as experienced by me personally. Starting today and ending Saturday, I will present my full story, as I have dealt with a company called BIDZIRK, in my home town. I have also visited several competitors. In doing extensive Google research, I have found that my problems are almost universal ... but that only larger clients really complain. At the end, I will offer a downloadable PDF checklist for you to use when choosing a listing company that includes questions you may not have thought of before. Please feel free to share your thoughts about these services and what you think about the article!

### PART ONE: Fast & Fun?

eBay ~ Weird Al Yankovic

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n May of 2005, I decided to obtain the assistance of an eBay listing company to help move a friend's IT inventory consisting of computers, servers, laptop power supplies, laptop docks, mice, etc etc. Since a graphic design firm that I and a colleague serviced for Mac Tech Support

over the years helped design the identity of a new listing company called BIDZIRK, we chose them to help us with listing this massive inventory on eBay ... so that we could start anew by January '06.

First, I'll give you a few bullet points about eBay listing companies in general and then tell my specific problems with BIDZIRK:

- \* These listing companies (where you take items to them, they list them, and send you a check) are not upfront about their fees. (This seems to be a common problem if you do a google search on problems with eBay listing companies)
- \* It seems reasonably fair to take out 25% to 35%, but by the time you get your check ... you are often splitting your auction 50 / 50. For most items, this is unfair and often less than you would receive from having a yard sale or having a day at the flea market, listing it in the local paper, or taking it to a *specialized curious goods dealer* (ie, pawn shop, collectibles shop, comics shop, etc)
- \* These companies often have generic, mediocre listings that do not get top dollar.
- \* Sometimes, these companies charge outrageous shipping and handling charges for your item, therefore lowering the final bid.
- \* Listing companies do **not** pass savings along to the customer ie ... if they use free picture listing services or list in their store, they charge YOU the same rate as if these pictures were hosted by eBay or listed as a regular listing which saves THEM tons of money! They also do not pass along promotionals at eBay. A few days each month, eBay will have discounted listing days. For example, on December 27th 2005, eBay offered 10¢ listing fees (regular charge 25¢ per item) ... if you are

listing hundreds of items ... this quickly adds up. Some days, eBay offers 1¢ listings. On rare occasion they offer flat or no final value listings.

Listing companies do not pass these savings along to their customers.

- \* Listing companies **do** everything to protect themselves from **not** making any money. If they're going to make money no matter what, why should they put any special effort into creatively or effectively listing your product? Talk about customer expectations of *how its going to work vs. how its REALLY going to work.* Specifically, how customers perceive that because they do this for a living, their auctions should be BETTER than what the average eBay hack puts up.
- \* They also tend to protect their feedback to your detriment ... meaning they will refund, accept returns without any hassle, and allow eBayers to abuse time schedules for payment for any reason ... without protest or investigation ... just to save their feedback rating ... therefore; delaying your check or causing you to not get your money at all!
- \* Typically, the length of time is 3 weeks from the date you bring in your item; until the time you get your check. These funds add up in their own Paypal accounts where they receive interest and if properly maintained; get them bonuses. (see story below) I had several checks delayed for 14 weeks!
- \* As for laborers ... typically teenagers end up running the show for absentee owners. Essentially, the eBay version of McDonald's?

## McListings

#### We're Lovin' It

\* Also concerning laborers and owners ... on occasion you will find 40 and 50 somethings trying a mid life crisis career change ... they know

 $<sup>^{\</sup>star}$  By we, we mean; us, we love to be us, we aim to please us.

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nothing about how the eBay system works except what they have read in eBay For Dummies books. Usually they know nothing about pop culture (eBay's biggest market) or about electronics or computers (eBay's 2nd biggest market)

If you got here from a Google search, hopefully you're just contemplating using a listing company. By telling you my full story, I hope to give an understanding of what your expectations should be, and what terms you need to place into a contract before doing large scale business with a listing company...

One of my best friends who deals in procurement took an easier, more fitting IT job about 2 years ago; leaving behind an enormous eBay inventory spread out over 6 locations countywide ... some of these locations being very expensive premium warehouses in Greenville, South Carolina, my home town.

I had introduced this friend to eBay shortly after I met him; in 1998. He quickly passed me in feedback, as he was listing close to 500 items a month. This friend used to employ a staff of 5 to help list, pack, and do accounting for listings on eBay. Then, in late 2002, this friend had a bout of depression, let most of the eBay listing staff go and retreated to being a self employed computer repairman and a used computer salesman. He had several procurement sources ... and his local sales could not move the inventory as well as eBay ... things started to pile up in warehouse after warehouse, after warehouse. As the inventory grew, so did his overhead ... this all made him more depressed. His disorganization was affecting me ... I had no where to put some of my inventory, he had no money to front me for my own procurement, and the mess frankly; was overwhelming. Finally, in 2004, I stepped in and started to chip away at his inventory. I tried to carry *some* inventory to

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a local flea market ... while other small bits and pieces, here and there, I sold in my own Apple Computer Tech business.

It just wasn't working ...

So, in March of 2005, just as my friend and I were gearing up for a tour of companies to pitch a new product to ... we started to brainstorm. At first, I thought of a Tech Yard Sale. I thought we could rent a large building and get other people that I knew that had large amounts of computer inventory to also sell with us for a fee and maybe integrate local sponsors like high speed cable modem service and IT headhunting services.

#### I wanted to set some goals:

- Integrate all 6 locations into one large warehouse by summer's end
- Split the money with this friend 50/50 ... meaning: 25% me / 25% my colleague / 50% my friend
- Try to sell at the flea market at least 2 Saturdays a month for 5 months straight
- Organize the inventory for a proper appraisal
- Throw away any inventory that was of absolutely no value ( close to 20% of this inventory were large HP laser printers and broken yellowed monitors)

So ... my colleague (who had recently decided to make an income on his own) and I decided to take a crack at it. We dedicated about 3-8 hours a week to the task ... sometimes ... he, more hours; late at night, separately on his own ... others ... me, more hours; during the day, on my own.

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Things were looking better ... but there was just so much inventory ... some pieces were large wide format printers and wide format scanners ... there were also large server cabinets. The large items were blocking more liquid inventory. Then, I thought of something ... what about using an eBay listing company?

I had seen a new store going up in a wealthier section of my home town called Bidzirk. When my cohort mentioned that a graphic design firm that we knew had done the ad campaign for them ... it was nearly solidified that we would use them ... to support our client; we would patronize their client.

Now, let me back up for a moment. If you knew me ... you would know that my suggesting the use of an eBay listing service was not something you would expect to hear from me. After all, most of my friends consider me an eBay guru. I know all the sales tactics to listing, I know how to spot all the scams, and know how to exploit ALL the facets of eBay to my favor (ethically of course). (Mainly through the use of discounts) I also taught eBay, in a continuing education course, at the local technical college.



<sup>\*</sup> my second (and current) eBay member ID page in use since April 1998.

(Modified to protect seller and bidder identities)

So, I set up a time to meet with the Bidzirk owner.

I decided to meet him at a Barnes & Noble for a cup of coffee and shoot the breeze about entrepreneurship, what I bring to the table, and what he brings to the table.

Late for our first meeting, he explains his tardiness away by saying traffic was difficult. ( A part that plays an important element later in this story )

We quickly start into what Bidzirk's philosophy is, how and why it was started, and what business we might do together.

From the beginning ... I could tell the owner was a yes man. Of course, I have to be honest ... eBay is; in and of itself a yes man paradise. Many sellers over promise and under deliver.

Although the owner seemed like a yes man ... I had done my home work ... he had owned an ecommerce B2B company called *ChannelLinx*. Tech savvy? Possibly ...

\* ChanneLinx is promoted at the <u>Bidzirk site</u> indirectly and at the bottom of each page as a technology & design assistance partner.

He explained to me how he had just gotten married and was planning his honeymoon in a week's time.

Wait! He was getting married, going on a honeymoon, and starting a (in his own words) "multi-location business that will be national in 5 years time"?

At this initial meeting, we discussed an inventory survey and pickup of some large items to help us get started. I made it clear to the owner of Bidzirk that I had momentarily throttled my own Apple Tech business and that my partner was depending on the income that we saw from Bidzirk. I also made it clear that this income would be split 25/25/50.

So, the owner signed off on a contract that was to my understanding 25% cut for Bidzirk 75% for me and my partner which would in turn be divided up 25/25/50.

EXAMPLE: A \$100 item would yield us \$75 / That \$75 then is divided into \$37.50 Friend (owner of inventory) / \$18.75 for me / \$18.75 for my partner

I was honestly expecting for my friend and I to average about \$9 an hour for our work. 2 hours work would equal \$18.75.

Even though this is simple math ... it's easy to see how this might get complicated as to the way things would be divied up.

I was under the impression (and contractual understanding) that Bidzirk charged 35% flat, once you had reached \$500 in sales, your rate went down to 25% flat.

Having sold 1000's of items on eBay myself, I could see how, after eBay and Paypal fees (which average 8.5% of the final winning bid), a business such as this could make a reasonable profit.

TOMORROW ... PART TWO: Fast Talking & Funny Business

Make sure you stay tuned for another installment tomorrow. And don't forget, at the end ... I plan to post a checklist and guide (via PDF) for using listing companies that could save you literally thousands of dollars! (Not to mention hours of headaches and frustration.)

posted by JackWhispers @ 8:16 PM O comments links to this post \_

Tuesday, December 27, 2005

## ■ Jack Classic: Paypal Ain't My Buddy

This is one of the most *hit* stories on Jackwhispers. I'm posting it as a primer for the upcoming article about eBay listing sites. Enjoy ...

Apple announced that they will be accepting Paypal for the iTunes Music Store.



Many people have misconceptions about Paypal. Those that have had a problem with the service, I have often found did not resolve their issues promptly, nor did they carry out the transaction in the proper procedure.

This story is a lengthy read, but worth it for the insight to gain about the inner workings of some popular websites.

Forum post on Macrumors by Jackwhispers editor:

Originally posted by GizmoToy on MacRumors.com:

"Did you ever stop to think that maybe not everyone sees PayPal as such a great service? I started using PayPal long before eBay purchased them. Their service has gotten better since then, but not much. I'm a verified seller. I sold a laptop on eBay, and the buyer paid through PayPal with a credit card. The item qualified for their so-called "Seller Protection Policy". The payment cleared, I sent the laptop. About a week later I get a notice from PayPal that I had accepted a fradulent credit card, and that they had deducted it from my account, which I now owed quite a bit of money on. Of course, THEY accepted the fradulent card, I had nothing to do with it. That didn't bother them.

I did end up getting my money back, but not until after I took them

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to court. Of course, this doesn't apply to buying songs from iTunes because you know Apple is a reliable party... but plenty of people have had similar experiences. There was a huge Class-Action Lawsuit for similar situations to mine a few months back.

I think THAT'S why its getting negative ratings."

MY REPLY BELOW	
IVIT REPLT DELOW	

I'm not trying to be a Paypal fanboy. I am trying to clear up a lot of the myths that exist about Paypal. There are ways to safeguard yourself against what happened to you.

You can register without a credit card actually:

Just get a temporary \$20 credit Mastercard.

Link a bank account that is a free account that only holds a \$200 balance - when you sell something big, bring that balance down to nothing, and tell the bank why you are doing it so maybe they will not charge you a low balance fee, or just get an account with a no balance requirement.

You realize that both the buyer and the seller are protected by an insured package. If you didn't insure the package - that's just silly.

All you had to do was file a claim that the items were lost or stolen in delivery - the burden to prove that they delivered to a valid address and that it was signed for by the actual person to whom it was delivered falls on them. Many people have a false notion that Fedex/UPS/DHL can just say, "Hey, we just delivered the package" and they can get off with that. There have been many court cases that say they have the burden of delivering to the actual person and an actual valid place of delivery.

Point being; many con artists do not get things delivered to the house

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they've been in for 5 or more years!

It's pretty common knowledge that Paypal doesn't like chargebacks, but that credit card companies MAKE chargebacks with them all the time! If the charge from Paypal was unauthorized and you can prove that you did NOT tell them to make the charge and you have no asset of the same value in your possession - then you have a 99% chance of getting your money back.

You should verify all buyers and sellers through feedback/through Paypal verification/even escrow.

One thing you can do to look up a buyer or seller is type their name or email address in to google.

Their are list of bad buyers and sellers on several websites - if you google any of those email addresses or eBay IDs those sites come up.

Further, you can send a 1 cent payment to the buyer - this will show you if the buyer is verified and how long they have been on Paypal.

Finally, you can use the eBay contact information, with phone number and address. If the buyer has false information here - you as a seller qualify for \$1000 in insurance.

It sounds like a lot of work. But once you know the steps to take (and the fact that it just doesn't happen that often) will be well worth it."

ORIGINAL STORY	
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In the time passed since this editorial was posted, there have been a few updates:

- The webmaster at paypalsucks.com has made a rather vocal sustained attack against me on the internet
- Paypal has agreed to settle a class action lawsuit with users who lost

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money through the service

Paypal & eBay have completed their merger - Paypal now constitutes
 85% of all payments processed on eBay (Before the merger it was 67%)

Over the past week, I've been posting on a website called PayPalSucks. com. There's an interesting thread there called; "ex managers/ former employees stories". This thread, as with most threads on the site, has a bevy of fanatical posters claiming Paypal has scammed them. I admit that Paypal policy sucks if you have a problem, but if you are a careful consumer and retailer, you will rarely have a problem.

About <b>ADZOOX:</b> To protect your security, Patatus of this member.	ayPal offers information on the	
Seller Reputation:	(4683) Verified Buyers	
Account Status:	Verified	
Account Type:	U.S. Business	
Account Creation Date:	Feb. 13, 2000	
PayPal Member For:	3 years 11 mont	

As of February 9, 2004 I had 4683 verified member transactions, over the course of my 4 years of having a Paypal account. I have had close to 6000 total transactions paid by Paypal. I have tried all the other failed services. I'm a member of all the other popular payment sources; Yahoo PayDirect and BidPay. There are others out there that exist:



A couple hundred people have posted to PayPalSucks.com. They have about 4500 members and about 16400 posts as of February 9, 2004. There are only a handful of people who post, and most post anonymously (and obsessively) on the site.

One of the things that Jack Campbell got onto his critics about was that the majority of his critics were anonymous. I consistently pointed out in forum after forum that I ALWAYS posted under the name "adzoox" and never anonymously. The only problem with his anonymous posters is, that the majority of them, were pointing to the facts, I had already assembled, or to evidence elsewhere on the internet; whilst making their point of critique. But Jack has a point! Unmoderated forums, especially those containing critique, should be looked at with extreme caution. The bias will often post in an anonymous forum. Often they post without facts, but rather silly behaviour. The criticized; will often try to move the forum off topic. Usually they rely on infinite registration/aliases.

This is what paypalsucks.com is all about. It is a site put up by Paypal's competition, and NOT a consumer awareness website; as it pretends to be. This payment service is the main banner ad on the page:

## Only 35 cents per transaction

PayPalsucks.com gets commisions for every banner ad on the site that is "clicked through".

So, I decided to post on this website after reading what seemed to me fictional and fanatical posts. This is the last post to the site's forums from February 8, 2004:

"... I would also like to point out that you guys ARE advertising for this site by posting here - IT IS POSTED HERE BY PAYPAL'S competition!! The site makes MONEY from everyone that joins

yowcow.com payment services and iKobo payment services. Have you not noticed the banner ads? Websites depend on 1/10 of 1% of website visitors to follow through on banner ads. I would love for the owner of this site to report to us how much he makes in commissions. Advertising for "other companies" is a conflict of interest. It would be like Best Buy doing a review of Circuit City!

This website also makes a big point out of Paypal not posting a customer service number that is easy to find - so why doesn't [The Paypal Sucks Dot Com] website make it promininent? (It's 1-888-221-1161 by the way) - there is also a direct toll number, where; you won't have to wait at all. Why aren't there any tips on this site to better use Paypal? People ... you are being exploited by this site!!!

Restated from my previous posts here:

- 1) You were scammed! Paypal is the mechanism not the activator/initiator.
- 2) The Paypal site goes completely down at times on weekends for maintenance. It goes down most nights from 1am-3am PST for maintenance.
- 3) Why did you pay with a balance or a checking transfer when in EVERY case you get your money back if you use a credit card? Did you send personal information or Paypal account information to "the other party"?
- 4) Did you research your seller? What was their feedback level? Did you file an affidavit with Paypal for the "other party's" information?
- 5) Did you buy [the item] on eBay or Yahoo? Did you know you are partially insured by Cyno-sure financial? Up to \$200! You only have to prove you were involved in a fraudulent transaction and lost money not anything about Paypal.

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6) Fact: Paypal does almost 1 million + transactions a day

Fact: Larger banks do about the same

Fact: Based on the number of posters here & my OWN transactions (3 losses out of 4678) - say Paypal's "perfect transaction rate" 99.99%.

Paypal has over 14 million members / paypalsucks.com has 4500 members & 9200 individual posts from unique posters.

7) Without IP address registers and too many anonymous posters - it's hard to tell exactly how many people posting here are real or who are employees/friends of paypalsucks.com or employees of yowcow.com or ikobo.com or even other posters that posts 100's of times.

Nothing can justify your loss. But scammers exploited you, by exploiting Paypal. A better than 99% transaction positive rate is better than JUST about ANY BUSINESS MODEL THAT EXISTS!

As for merchants - I'm mad at paypal for not assisting you more. Have you filed an affidavit? Losing Paypal would be a huge blow to my bottom line as a website owner/eBay auction seller - as well as my local business and ease of transactions between friends in need of fast funds."

PAYPALSUCKS.COM is a scam site; masquerading as a consumer watchdog site. Paypal can do little about it. If they were to sue (which I think they could be), the hounds at PayPalSucks would say they are trying to "hush the truth".

I personally have had 3 losses resulting from Paypal. One I was able to recover \$54.50. The other, I applied for a Cyno-sure insurance claim and was just approved two weeks back for reimbursement. It will only be \$200 - I paid \$303.76, but that's better than nothing. The other transaction I lost on, well, I learned a lesson ... don't accept email

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Paypal - I received a brick via FedEx. Yes folks, a brick!

offers. I sent \$120 to a "Canadian" - no shipment received in 30 days - I filed a Paypal complaint - he typed in a tracking number - that appeared

Brick in a box received August 16 2002 from John Atkinson (roblin26@hotmail.com) via FedEx from Canada Because Paypal accepts tracking #'s as proof of shipment: (

That said, I have saved COUNTLESS amounts of time and money with the conveiniance of Paypal. I can also instantly refund money with little hassle. If you don't use Paypal, you're an idiot in my opinion.

Lastly; scamming sellers on eBay, and even more on Yahoo Auctions, link to the paypalsucks.com site to show why they don't accept Paypal payments. They use this as some sort of verification that THEY aren't a scammer. By pointing to the paypalsucks site they give the illusion; "see I care for you, I'm not a scammer, I'm telling you Paypal is a scam" If you think Paypal won't give you back your money - try getting your bank or a Money Order creditor to "recall" your check!

Update: Since doing this article in early 2004, many of the payment services mentioned here cease to exist. Citibank's C2it and Yahoo's PayDirect have both been axed.

In an insightful slashdot post, on the topic of Yahoo eliminating
PayDirect, a forum reply thought it would take a brand name, not a
better service, to compete with Paypal. I agree. In fact, I think this
would be a great market for Google. Something like Gpay. A site to send
money called Gpay already exists, but the website seems so overnight;
there's no way I would trust my money with it. I'm sure Google could pay
the right amount for the name and the website.

It should instantly garner a lot of news and a lot of support. A possible

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incentive could be: Google Gmail users get discounted fees sending money.

eBay, really needs competition concerning online payments. Customers who have had problems with Paypal, now foolishly send cash, checks, or money orders. To some, the stigma of Paypal's past has also made them wary of doing business on eBay. eBay has also tightened a lot of the incentive for sellers, but locked them all into using the service as the ONLY way to accept credit cards without having an expensive merchant account.

posted by JackWhispers @ 10:11 AM O comments links to this post

## MACSUPPORT.CA: The CA Stands For "Can't Do Apple"

#### The CA in macsupport.ca = CAN'T DO APPLE

*MacBytes*, a popular Apple News aggregator, has been posting news bytes from a new website called macsupport.ca

First ... They have a website called macsupport that doesn't support the safari browser ... ironic?

http://forums.macrumors.com/showthread.php?t=168948

Then they post things as if they were new news, or news they broke:

An almost TOTAL copy & paste of an article APPLE POSTED ON APPLE.

COM

Why is Bytes posting stories from these guys?

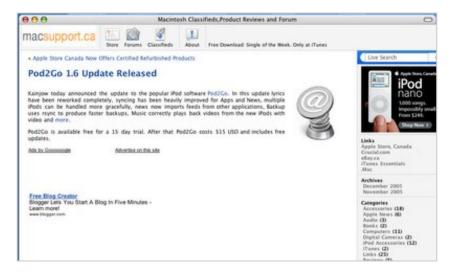
And somehow ... in all of this ...

They seem to be related to Bill Palmer (which further reduces the site's credibility):

Bill Palmer December 16, 5:07 AM EDT from iPodGarage:

Thanks to the following additional sites who have linked to the NANOBOOK: 2 Guys a Mac and a Website, akappleug.org, iPodGarden, MacMiner, Macread, Macsupport.ca, PHParch.com, weinstein.org. Still more surely to come.

[UPDATE] Reader emails indicate that I should also note that macsupport.ca uses Apple copyrighted images and designs on their website:



I was going to note personally that the name macsupport most likely violates Apple's naming policy as well.

posted by JackWhispers @ 5:05 AM Ocomments links to this post

Monday, December 26, 2005

**№** New Feature: Jack Does Know Jack: Paypal: Is You Is Or Is You Ain't My Buddy?

Many of you may be wondering why I don't have a lot of comments to the stories on my BLOG ...

#### My best assumptions are:

- 1) I have a rather unpopular opinion here ... I'm not afraid to offend ... even if it means someone or something I have believed in.
- 2) Most all of the posts here are nonrhetorical; meaning most would agree with what I say here ... once they understand the full story as I have explained it
- 3) I get A LOT of emails ... as I think, people are afraid to post here in some regard. I'm glad this site doesn't have people who regularly hang out here and make comments that do not further the debate. Like, "Stupid article" or "Yeah, the people you're talking about are dumbasses" these kind of comments are often deleted from this site if they do not further a rational conversation or observation.

In some ways, I'm glad this site is the way it is. It sets it apart from other sites. I feel other sites seem like they have no control over their forums, their members, or their message. My opinion is clear here! And while my opinion can change; it doesn't do so through childish remark; only spirited factual (and linked, backed up) debate.

One of the articles that I get the most comments on and have the most links to is: Paypal Ain't My Buddy. This article has actually made it into Wikipedia! (And was summarily removed by an anonymous editor recently ... anyone care to add it back?)

While the topic of Paypal and eBay veers slightly off center from the themes of Jackwhispers normal content of Apple Community Scams and Business Ethics ... I realize a lot of Apple Techs and businesses (including Apple Computer) use Paypal. And, of course ... if you buy or sell Apple stuff on eBay ... Paypal is the fastest and easiest way to pay or to receive money.

The latest comment I received was from a guy who sells high end car

engines on eBay. He took offense to my saying, "You're either weird or stupid if you don't use Paypal". In his email, he laid out several instances where he felt he had been cheated by Paypal. You will get the jist of his email by my response:

"Paypal has ALWAYS had the ability to be "charged back" from a credit card company. But you are right in the aspect of Buyer Protection changing rules. It's more Paypal succumbing to eBay (it's largest source of revenue) and then in 2005 actually being purchased by eBay.

See, before eBay ... always ALWAYS sided with the buyer in almost 99% of disputes ... reason being ... they felt a buyer and seller had a true commodity (value) in feedback. They figured neither party would risk much due to the feedback system and eBay Safe Harbor. This worked for the first few years eBay was in existence. But as crime has turned from the streets to the net ... criminals have figured out that BUYING is the the new scam ... not selling or pretending to sell.

At the same time, when Paypal was first starting and purchased X. COM = how it became a checking account and debit card company too ... PayPal ALWAYS sided with the SELLER ... this is why at first Paypal was an eBay seller's dream ... but remember what I said about eBay? People were selling, offering Paypal, and ripping people off ... as eBay changed and as scams turned from selling to buying ... well ... you get the picture!

As it stands now, there is no balance between Paypal and eBay ... they both protect the buyer the majority of the time. There needs to be balance in place again. My thoughts are that it will resort in almost everything over \$200 sold on eBay will have to go through escrow. Another thought is that eBay will ask local listing companies

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to also become drop off stations for both the cash and the products to be shipped and you will have to go pickup the items from these locations rather than having them delivered. A third option is that eBay listing companies may end up being mediators and they paid by eBay (much as Squaretrade is now).

I will say this to you again, the benefits outweigh the problems (for now) to me on Paypal ... I have found enough ways to safegaurd myself. I also almost obsessively pursue ANYONE who tries to cheat me ... I will find you ... I will make your life miserable ... even over \$25!"

posted by JackWhispers @ 10:52 PM O comments links to this post

Friday, December 23, 2005

## ■ More Garbage From The Garage



From an anonymous email sent to me today ...

Hi [Jackwhispers],

Wow, this Palmer guy is outrageous. Now he's claiming that his iPod nano PDF was downloaded over 100,000 times in 1 week. That is a total lie... it's not possible. His site doesn't even get the traffic to warrant it.

Someone needs to stop this guy with the lies and deceptions.

NANOBOOK sees 100,000 downloads in first week

The iPod Garage NANOBOOK 2005 Holiday Edition has seen more than 100,000 downloads in its first week of availability. The NANOBOOK is a free downloadable 159 page book which covers every aspect of the iPod nano, ranging from tutorials to reviews of more than one hundred nanocompatible accessories, and is the perfect companion gift for anyone receiving a nano as a holiday gift.

If my figures are right:

It takes roughly a month to see that 100,000 people have downloaded ANYTHING from versiontracker (one of the most hit download sites on the mac web)... Bill Palmer is relating his downloads to the levels of Stuffit Expander!

iPodLounge (now iLounge) has been offering their iPod guides for over a year now... and their traffic is somewhere between 15 to 19 million page views a month. iPod Garage barely pushes more than 600,000 unique page viewers a month.

Just remember ... this is the guy who claimed he pioneered transferring songs from your computer to your iPod!

posted by JackWhispers @ 3:55 PM O comments links to this post

Thursday, December 22, 2005

■ Merry Christmas! From Jackwhispers!



# Merry Christmas

Jackwhispers wishes all readers a Merry Christmas and a Happy New Year ... thank you for taking this BLOG from the barely noticed to an award winning publication. Together, we have truly made a difference in the Mac Community over the last two years.

Normal publication returns December 26th with regular updates and a very special 4 part report on the problems and pitfalls of eBay listing companies. I'll be telling my detailed story of using such a company and relate how my selling Apple Parts on eBay for 9 years has given me unique insight into the matter.

At the end of this report, I will be providing a unique guide (via a downloadable PDF file) that you can use to select a listing company ... if you MUST USE one.

Also, in Mid January ... I hope to have a great new design to this BLOG, new sponsors, and finally ... this BLOG will resolve as jackwhispers. com!

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Wednesday, December 21, 2005

## **■** Jackwhispers Helps Stuff Your Stocking!

Looking for great items for stocking stuffers or last minute gifts for the Apple Guy (or Gal) in your life?

Look no further than the sidebar affiliates and links:

I'm going to run through these like  $\textit{The Price Is Right} \dots$ 

One of my favorite products ever produced is Oral B Brushups ... these are little toothbrushes that you can slide over your finger ... and have in case a bathroom or toothbrush isn't nearby. They also are completely flat with a thickness less than that of a credit card ... so you can keep some spares in your wallet!

Another product that I use religiously is Philiosphy's Apple Shampoo ... want an ice breaker, a great gift story, want to tell your Apple Tech in your life; you care? This stuff smells great ... it is also thick and doesn't oversaturate or overdry your hair.

Every time I go to Panera Bread, Maggie Moo's, Target or World

Market ... I pick up a Green Apple Soda from Jones Soda Company.

Green Apple Soda has a very unique taste ... and it goes with a meal ...

almost better than wine, in my opinion.

One of my favorite all time stories is *The Giving Tree* by Shel Silverstein ... this is a story about an apple tree that sacrifices everything and a little boy that is never satisfied ... comes complete with very cute illustrations and makes a great bed time story.

Everyone who owns an Apple computer needs to see the movie, *Pirates*Of Silicon Valley ... Steve Jobs liked the self portrayal by ER's, Noah

Wylie, so much ... that he had Noah come out on stage at a MacWorld

6:06-cv-00109-HMH Date Filed 02/13/2006 Entry Number 6-11 Page 81 of 117 Expo pretending to be Steve Jobs. You'll also love the framing of the

first scene ... the making of the "Best Commercial Of All Time" - The intro of the Macintosh Commercial in 1984 to a scene reminiscent of the book 1984 by George Orwell.

All of the items I advertise on this site are products I use regularly. I have researched each advertiser for integrity and ethical business practices. In the case of movies and books that I recommend here ... they are truly my favorites and I think you will enjoy them too!

Hope this helps ... if even a little with your Holiday Shopping ... if you use the links found to the right ... you help support this site.

posted by JackWhispers @ 8:15 AM Ocomments links to this post \_

Tuesday, December 20, 2005

### MP3 Shuffle: 99.7% Pure Copycat





While on the topic of eBay listings  $\dots$ 

Readers might be interested in <u>this listing</u>that is offering the MP3 Shuffle:



\* Photo courtesy of ENGadget

When a company that knows they won't be prosecuted (due to being outside of US jurisdiction) releases a product like this; well ... it's pure evil. Seriously!

I emailed the seller a question: who makes this product?

The response: I cannot give out that information

posted by JackWhispers @ 2:58 PM Ocomments links to this post \_

Stupidity Is Not Invisible ...

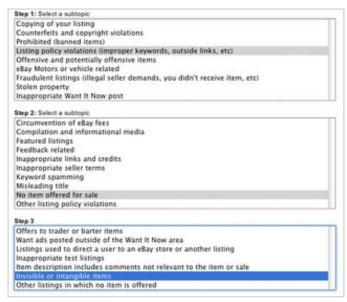


I am embarassed by this auction that surfaced today on eBay ...

(It may be cancelled by the time you read this)

Embarrassed ... because the listing's seller is located in my home state's capital.

It isn't funny and it's a listing policy violation ...



**CLICK FOR LARGER IMAGE** 

It seems to be more of a publicity stunt to promote iPodInvisa.com ...

This was <u>a reasonably funny Saturday Night Live Skit</u> ... but I am surprised no one reported this to eBay sooner.

From the auction:

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UPDATE: There will soon be an iPod Invisa website at www.ipodinvisa. com. Until the DNS servers propagate to that address you can see the site by going to www.ajcannon.com/invisa.htm.

Remember that if bidding goes above \$50 then you will receive a FREE pair of Invisa headphones with your purchase.

http://www.ajcannon.com/invisa.htm

[UPDATE] I reported this auction to eBay for a listing policy violation and I'm also sending a note to Apple legal <u>about a naming policy</u> <u>violation</u> for ipodinvisa.com.

**[UPDATE]** Here's a note from Andrew Cannon concerning this article:

Howdy,

Nice to hear from a fellow South Carolinian. What part of SC are you from? Thanks for your concern over this auction, but you must not have read it very carefully. This auction is for an envelope. Included with the envelope for free is the iPod Invisa. The ipodinvisa.com website was not even made until after this auction, so there is no way that you can claim that I was trying to drive traffic to the site... go ahead and try to go to ipodinvisa.com and see what shows up. If eBay decides to cancel this auction, so be it. But there are a lot of people who are enjoying this auction. You might not be one of them and that is fine with me. I'll just re-list it and take away any of the violations. Have a great day and a Merry Christmas!

-Andrew

I'll pass that information along to eBay Safe Harbor ....

## New Feature Story Coming Soon ...

I'll be posting a new feature story soon titled:

You Gotta Be Berserk To Use An eBay Listing Company!

I have decided to make this a four part special due to the length and overall value of the story.

This may be one of the best articles I have written to date ... I also want to promote it to different sets of news aggregators rather than the standard ones I use like MacSurfer.

posted by JackWhispers @ 12:26 AM O comments links to this post

Sunday, December 18, 2005

### **►** The Headlines Should Read



A recent NEWS.COM headline reads:

Some PowerBook Customers Unhappy With New Screens

The headline should read: Some CNet Readers Unhappy with News

Stories by CNet

First of all, the story is late to press and apparently the author didn't read this site or the many forums where this topic was being discussed.

Jackwhispers discussed the issue that is the subject of this NEWS.COM article three weeks ago ...

It's a matter of a Colorsync profile setting and an optical illusion ...

In the previous mention of this topic, I floated these reasons for news outlets reporting stories like this:

- 1) Competition putting these ideas into hypochondriacs heads (IE, iPod Nano scratches, iPod Battery issues)
- 2) Disgruntled employees or contractors (those fired over leaks)
- 3) The person(s) behind the reseller lawsuit (Elite Computer, Macadam)
- 4) The EFF or Think Secret attorneys trying to divert Apple's attention away from their lawsuit to buy more time
- 5) \*legit reason\* more wierd whiney people are buying Macs
- 6) Media outlets just creating these stories because they know how Mac Users drive up hit totals

posted by JackWhispers @ 7:28 PM Ocomments links to this post \_

Saturday, December 17, 2005

It's bad on eBay ... but the worst in the Apple **Category** 

I've reported here several times about bad problems on eBay concerning phishing emails and apple category scams ...

The Apple category ... particularly for PowerBooks and iPods is especially dicey.

Here is a recent phishing email I received ... that, if you aren't an expert at catching ... would be easy to fall for.



And here is a recent story from Slashdot that I find very poignant:

Law enforcement agencies are becoming increasingly frustrated and concerned at the high amount of fraud on eBay. Reports indicate that it can take two months for eBay to pass details to fraud investigators, and that even for companies with a 'special relationship' with eBay it can take 5 days for fraudulent auctions to be shut down. From the article: 'With all the amount of profits that eBay makes, then there is ample scope for additional staff. Frankly, it is totally unsatisfactory.'

I have reported several fraudulent auctions ... especially for scalping tickets to a local college game ... eBay did nothing. However, I tried to sell a legal copy of Office for Macs that was a demo I had never used ... it got shut down within a few hours of the listing.

I do believe ebay is woefully understaffed ... 20/20 recently did a fluff piece about the founder of eBay, Jeff Skoll ... it showed how much money he donates to charitable causes ... while eBay remains

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understaffed ... contributing to the ripoff of millions.

I sell on eBay and depend on it for a significant amount of my income ...

I would like to alert readers that I do NOT advertise eBay scam sites here nor do I advise on eBay auctions ... because of my reporting on various eBay issues here at JackWhispers I get a significant amount email concerning the topics I discuss ...

[My power is expected to be out until Wednesday ... I will try my best to continue to make updates]

Friday, December 16, 2005

## ■ DLO Says DL NO to Griffin and Belkin



I wasn't able to post this due to my internet connection being iced ...

(we had a bad ice storm last night) ...

[UPDATE] Internet connections at this point are still intermittent ... I am having to edit through use of any connection I can find ... see other IMPORTANT updates below

As reported by MacMinute:

Digital Lifestyle Outfitters (DLO) have filed a lawsuit against Griffin and Belkin for patent infringement, reports the iPodObserver. The suit alleges that the companies are violating a DLO patent that covers

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a type of FM radio transmitter and charger that allows users to play an MP3 player's music through a car stereo. "DLO feels that Belkin's TuneBase FM and Griffin's RoadTrip directly violate its patent," notes the story. "Both products are iPod accessories that compete directly with DLO's TransPod. Both suits were filed in the United States District Court for the Middle District of North Carolina." DLO is seeking "injunctive relief, monetary damages, and enhanced damages for willfulness, claiming that both companies willfully violated the patent."



Previously Jackwhispers reported on DLO's suit against DVForge's

Podbuddy...

There are many issues involved in this suit ...

From evidence that I have been made aware of ... DLO *may* have stolen this idea from a Taiwanese supplier a few years back, brought it over to the US, and filed a patent on it ...

I am also aware that former design engineers from Griffin, now work at DLO.

Since I have been closely involved with the Jack Campbell side of this and in the process of producing my own iPod peripheral, I have been

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My personal opinion is that Belkin, who simply rebranded a Taiwanese unit (and was almost identical to the PodBuddy that Jack Campbell planned to distribute) IS a patent infringement ... but the legal waters get choppy with the Griffin implementation ... it is completely different in the manner and function in which it connects; as it can also connect with a detachable transmitter directly to one's home computer or laptop.

I also know for a fact, that while DLO did not design anything, but the exterior casing on their Transpod ... that Griffin custom designed the internals and exterior of the RoadTrip.

My biggest beef with all of these companies, after dealing with them directly and personally, is that they all seem to care more about controversy than competition!

Also reported by MacMinute:

[UPDATE] Griffin responds to DLO patent lawsuit

Griffin Technology has responded to the patent lawsuit filed by Digital Lifestyle Outfitters (DLO), which we reported earlier today. A representative of the company told MacMinute:

"We do not believe that the DLO patent is valid, nor that any of our products infringes the patent. In 2004 we sued Netalog for a declaration to that effect; that their patent is invalid and not infringed upon.

We have filed motions asking that the case be dismissed on those grounds and that the Court is currently considering those motions.

Additionally, DLO filed the lawsuit against us during a period when DLO was secretly recruiting one of our senior managers, which is currently under separate litigation."

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[UPDATE] Belkin counsel responds to DLO patent lawsuit

Belkin Corporation has responded to the patent lawsuit filed by
Digital Lifestyle Outfitters (DLO), which we reported earlier today. In
a letter received by MacMinute, Belkin General Counsel Chris Flower
stated:

In May 2005 Netalog, Inc. filed a Complaint against Belkin Corporation in the United State District Court for the Middle District of North Carolina alleging infringement of US Patent No. 6,591,085 by 'FM transmitter and power/charger assemblies' manufactured by Belkin. It is Belkin's firm belief that such Complaint has no merit and Belkin has specified a number of defenses to the Complaint, including but not limited to invalidity of the '085 patent. Accordingly, in September 2005 Belkin filed an Answer to the Netalog Complaint setting forth such defenses. Additionally, the Answer sets forth counterclaims against Netalog for declaratory relief based on invalidity and non-infringement of the '085 patent.

Belkin is confident that a verdict will be rendered in its favor with regard to this matter.

For those interested ... Jack Campbell's DVForge was also in this lawsuit ... but has since folded ... (yes I am aware Jack now operates under the name Chwangyi)

posted by JackWhispers @ 10:32 AM 0 comments links to this post

Wednesday, December 14, 2005

### Steve Settles With David ...



As reported by CNET:



Apple has settled with David Schwartzstein, who had

been a member of an Apple developer group, the last of three men accused of leaking pre-release versions of Mac OS X Tiger, reports CNET News.com. According to the report, which is based on a post appearing on DrunkenBlog today, Schwartzstein is prohibited from possessing or sharing any confidential Apple information he may have learned through the Apple developer group. "In December 2004, Apple sued three men, as well as unnamed others, in federal court in San Jose, Calif. The company said the men had posted developer versions of Mac OS X 10.4 Tiger onto BitTorrent file-sharing servers ahead of the software's official release," notes the story. "It settled one of the cases this March and another in April."

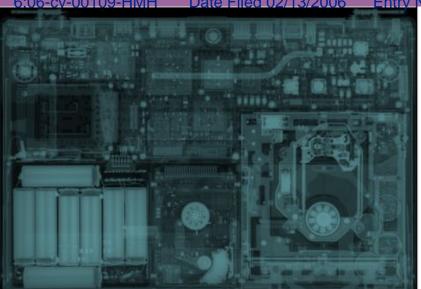
I'm glad to hear this ... more important battles are in need of fighting.

posted by JackWhispers @ 5:34 PM Ocomments links to this post \_

## **►** The PowerBook ... A Terrorist Threat? Just "Plane" Bogus!

Can someone please tell me why a small pocket knife (a swiss army army knife (mainly used for emergency screwdriver) is confiscated at an Airport security screen; yet they let my PowerBook G4 go through just fine?

I could come close to making a bomb with the internals of a laptop  $\dots$ here's an x-ray of a PowerBook G4:



posted by JackWhispers @ 9:37 AM Ocomments links to this post \_

## ★ The Applause Sign Is Blinking



Jackwhispers gets a bum wrap as being a critical, whiney site ... so to counter those arguments ... occasionally I let you know about unique Apple products or services that really deserve a round of applause.

Previously, I mentioned iPodBaby (baby clothes that have iPod like buttons on them), PodBrix (Custom Lego Creations that depict famous moments and people in Apple history), Griffin RadioShark (USB AM FM Tuner for Macs), and Centerstage (a free open source media center application that inspired Apple to create Front Row)



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Today, <u>on UberReview</u> ... I saw one of the most unique implementations of a mouse I think I have ever seen ... it just says ... why didn't Apple do this? ... all over it!

It is a blutooth mouse that fits into the PC Card Slot ... it also charges there! 15" & 17" PowerBooks are currently the only Apple laptops that have PC Card Slots - the 12" PowerBook and the iBook line axe the slot for space and feature separation reasons.

Still ... this is just downright genius ... take a look!



posted by JackWhispers @ 9:01 AM Ocomments links to this post

## ► Are The AA's Suing Any A's? Are The RIAA & MPAA Suing Apple Users Too?



Thematically related to my last two posts ...

I wonder ... are any of the RIAA (Recording Industry Association Of America) and MPAA (Motion Picture Association Of America) cases against file sharers using Macs?

It came to me as I read a story yesterday on Slashdot about an Ohio man

6:06-cv-00109-HMH Date Filed 02/13/2006 Entry Number 6-11 Page 95 of 117

getting sued by Paramount Studios. He is claiming innocence because he has a wireless network and that he was the victim of " a driveby downloader ".

I think the very reason Apple has succeeded in iPod sales, Video sales, and has a MUCH GREATER percentage of using buying legal licensed software ... is because:

- A) Apple users on the whole (as I have observed) are more honest
- B) Apple users are (as a greater percentage than Windows) content creators; thereby respecting license, copyright, and patent
- C) Diehard Apple Users respect that Apple pursues it's designs, copyrights, and patents with a hard gavel and therefore sympathize with RIAA and MPAA claims
- D) Apple Computers may possibly be somewhat immune to snooping from the RIAA and MPAA that monitor filesharing networks.

Now don't get me wrong ... I think the tactics and the excessive litigation that the RIAA (in particular) pursue is nothing short of unconstitutional. I also deplore that the RIAA is generally behind the behind closed doors effort to raise iTunes Music Store song prices.

In that regard, I believe Steve Jobs accurately pointed out ...

"We're trying to compete with piracy ... We're trying to pull people away from piracy and say, 'You can buy these songs legally for a fair price'. ... "If the price goes up people will go back to piracy," ... "Then everybody loses."

posted by JackWhispers @ 7:50 AM @comments links to this post

Tuesday, December 13, 2005

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Those Aren't Windows In The Windows
OneCare Logo: They Are Fusuma Doors



Inspired by this comment from a poster to <u>yesterday's article</u>, I would like to offer a followup:

Comment on Jackwhispers by BuzMania:

#### buzmania said...

I recently was listening to a local radio station show where the host was asking people to call in and give their opinion on Microsoft's development of virus and spyware prevention software. I could not believe how casual most people were viewing this. While it is certainly commendable to produce a good product, when its design is to repair or patch deficiencies in your main product it begs the question: why not make it right to start with?

Microsoft has long been accused of releasing software that should have stayed in beta and then releasing bug fixes after consumers start having problems. This seems to take that tendency to the next level.

I agree with this article that the current bulletproof status of Macs concerning viruses and spyware has been all but ignored in the popular press. The issue that befuddles me, however, is that people accept this state of affairs as "normal" and rush out to purchase all

manner of other products to "fix" the problem. Every year. Has Bill brainwashed PC users to the extent that they will now pay for the

privelege of using his buggy software?

Truthfully ... I think it would be unfair to say that Microsoft should make their products right to begin with ... while they should certainly try and do so by law (ethically and legally) ... no product can be made bulletproof, criminal proof, or idiot proof.

The real question here ... should Microsoft be including their new antivirus software free with the OS.

While it can be said that Microsoft could easily make the best software, could they also just not patch things or get away with releasing a substandard product ... yet sell a way to protect it?

#### Here's a scenario:

A builder called *DEADBOLT Home Sales* sells you a house. *DEADBOLT Home Sales*, also sells 85% + of **ALL** locks, security systems, and front doors ... you were sold the house and then offered a front door, a lock, and a security system made specifically for that house (at additional cost).

Shouldn't you expect to get a house with ... at the very least a lockable front door? Shouldn't you expect security systems to be made by *other* companies as an aftermarket item, but for the house to be as reasonably and reliably secure as possible?

Or are *DEADBOLT Home Sales* and Microsoft the same ... does Microsoft sell products with front <u>fusuma doors</u> (Japanese paper doors) ... especially to those located in the hood?

The internet = the hood.

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posted by JackWhispers @ 7:16 AM 0

comments links to this post \_

Monday, December 12, 2005

## The Responsibility Of The Media To Mention Macs

As I watched a segment on last night's NBC Nightly News I noticed something interesting ...



Actually it was what I didn't see that inspired this post ...

The segment involved **Spyware** ...

The focus was about tracking *your* children's internet surfing and possibly exposing *your* entire computer to password and identity theft ...

BUT ... the segment mentioned terms "your computer" and not terms like "Computers with the Windows operating system"

This is almost as if they had reported a story in this manner ...

US residents support the war in Iraq

Well, depending on what polls you read, or what data you include; the majority of US residents *do* support the war in Iraq (or support our troops there), but a certain percentage (around 10%) don't support it in any way whatsoever.

However, news outlets usually make a certain effort to report the 10% of Iraqi war protestors ...

They report in such a way that many believe that 10%, to be the majority of Americans.

If news outlets were to reveal the whole truth about spyware, adware, and viruses ... that Macs, as yet, have been unaffected by these obtrusive nightmares that Windows users face ... do you also think that the people that see these segements on television and read these articles in newspapers ... might consider a Mac?

Or let's place this into a conspiracy ... are the news outlets being fed these stories by the internet security firms such as Symantec and MacAfee?



The segment was introduced as [anonymous] "Experts say ..." and generic terms such as "Home PC" and "Computers were used"

Apple Computers are computers and home PCs ... aren't they?

posted by JackWhispers @ 6:36 AM 1 comments links to this post \_

Saturday, December 10, 2005

I Knew We Couldn't Make It A Week ...

ENgadget has managed to find yet another iPod knockoff ... this time in the Phillipines ...



\* photo courtesy of ENgadget

The people I see this hurting the most is 3rd party developers ... where people are thinking they are getting an iPod ... buying an iPod only accessory ... it not working with the knockoff and then returning it ... costing the distributor and the 3rd party money ... therefore raising the price of accessories.

Let's see if we can make it 8 days until the next one.

posted by JackWhispers @ 4:59 PM O comments links to this post

### ► Do I Still Have A Hand?



Here is a good quote from the CEO of **Sony**, *Howard Stringer*:

"We have so many rivals it's frightening. The week after next I will meet Bill Gates and Steve Jobs; shake hands with them and look down and see if I still have a hand."

One interesting aspect of this quote ... Sony has been slowly bleeding over the last few years ... continuing to release proprietary, restrictive technology. Apple (and Microsoft for that matter) have been opening up to standards and to ubiquity through volume.

- Sony released the damaging rootkit a few weeks back on it's audio CDs
- Sony has continued to market BETA to television stations
- Sony had to have their own version of the MP3 (a lossy, proprietary standard) called ATRAC
- Sony had to have its own version of Firewire called iLink (I standing for inferior) This is an unpowered version of Firewire. I believe it is (in part) a contributing factor to a reduction in firewire sales and implementation.
- Sony has refused to integrate their technology to all consumer and prosumer lines
- They have been very restrictive and less innovative with the

Playstation and the roadmap of the Playstation 2 and 3

- They have restricted the PSP into an almost worthless device ... with few games ... not allowing or roadblocking users from doing what they want to with the machine.

Apple on the other hand has embraced USB and started to integrate it more - starting with the iMacs and most recently making Nanos and Video iPods USB only

Apple has somewhat (minorly somewhat) opened the AAC (iPod DRM) with less restrictions and more universal acceptance ... not to mention opening up the dock connector to many many developers.

Apple has taken over Sony as the #1 portable audio device manufacturer

Microsoft has announced that future versions of *Word* will use an open document standard so any word processing program could read documents created in Word.

Thursday, December 08, 2005

## Review: The Chronicles Of Narnia: The Lion, the Witch, and the Wardrobe

I have had the fortunate situation of seeing

The Chronicles Of Narnia: The Lion, the

Witch, and the Wardrobe in an advance
screening. I have assisted one of the film's
special effects teams with Mac Support over
the last 7 months, all the way up until

August; when last minute decisions were still



C.S. Lewis is supposedly well known for saying that he never wanted a film adaptation of his film; thinking it would lose the true meaning (of allegory for Christ and Christianity), fantastical vision created in readers minds, and that justice just simply could not be done on film ... eventhough he had films such as Gone With The Wind, King Kong, Wizard Of Oz, and Forbidden Planet as the best examples of Sci Fi, Fantasy, and Period Epic filmmaking. While all great movies ... they are obviously from another era as far as special effects go. Lewis never got the chance to see movies such as (friend) J.R.R. Tolkien's Lord Of The Rings series come to film, much less the Star Wars films, Jurassic Park, or even 2001: A Space Oddessy (which was made just a few years after Lewis' death).

The only continued worry that I feel Lewis would have with this film are the slight secular undertones and updates that were added. But, I must say ... this first book was shorter than your modern "fantasy world" films; like Harry Potter book/films. Whereas Harry Potter books span the same number of volumes; they average 1000+ pages ... each Narnia book is around 200 pages. Some elements and fill are necessary to create a film that spans as much time as this film does. Take into account that J.K. Rowling is purposely writing each *Harry Potter* book purposely to be made into film.

Unlike other reviews, I refuse to give away spoiler elements of the film ... but will give you a small Pro's list as, in my mind, this film is the best I have ever seen ... in fact, I plan on seeing it tonight at midnight and then again at one of the 6 completely digital THX theaters in the country - that is located in my hometown ... an experience that almost changed Star Wars: Revenge Of The Sith for me from a good film to a great film.

The last minute decision to make Liam Neeson the voice of Aslan over actor Brian Cox was superb and really adds vocal depth and prestige to Aslan. I was able to hear bits and pieces of both doing the dialogue,; it would have truly made an enormous impact on the film's presence.

Georgie Henley as Lucy. This is the next Dakota Fanning. I cannot believe how well this girl played her role. For her first movie and being only 10 years old ... it's nothing short of destiny for her to play the role of Lucy Pevensie.

While the film does have some filler - it serves to give a new meaning to The Narnia Story: the meaning of family.

The character of Mr. Tumnus must be the best special effect ever created on film ... there is never a point where you would think it was a real man with real legs.

Watch the sky during the movie for hidden messages in the clouds and pay close attention to the armor in battle scenes to see extrordinary detail to film.

Now, I've just got to decide which movie to bump out of The Jackwhispers Top 100 Movies list.

Wednesday, December 07, 2005

## Stories In The Making

There are several stories I have been working on and have just not had the time to elaborate on or publish ... as I have more off time over the holiday, I hope to have them posted. I will also be finishing up the transition from jackwhispers.com to this BLOG at jackwhispers. blogspot.com. I have had a small issue with trying to get jackwhispers. com to resolve here ... but hope to have that worked out as well.

Stories in the making:

A Modest Proposal About PBS: Sell It To Apple!

Is It Hard To Find an Apple Job or Just Difficult To A Difficult Person?

Apple Should Price The iPod \$129.99 Higher

Attack Of The Waygoner: Scary Customer Service Tales Pt II

You Gotta be Berserk To Use An eBay Listing Company!

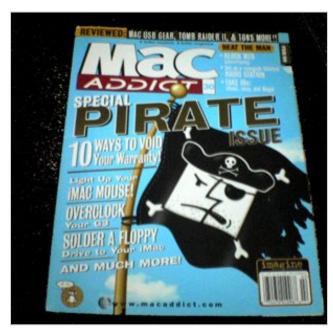
posted by JackWhispers @ 11:45 AM 0 comments links to this post \_

Feature: Jack Looks: Are Floppy Drives Still Useful? Yes ... so ... long live the floppy drive!



I haven't done a JackLooks in a while ...

This is a feature where I show you interesting research that I do for my personal life, daily business, and for this website. The previous JackLooks covered problems with Tiger and a solution for blown ethernet on All In One Macs (iMacs, eMacs) or Apple Laptops (iBook, Powerbook). Today's features are somewhat different. Back in 1998, when the first iMacs appeared, my father bought one and desperately needed a way to get his data off of floppy disks. He also had several programs that were on floppy that he needed to install ... I came up with this hack, submitted it to MacAddict Magazine and they later published it as part of a "Pirate Issue"



While Apple has not included floppy drives in Macs for almost 8 years now ... floppy drives are still very useful in many ways:

- 1) Small files are easily rewritten and backed up (including Quicken files and Word documents)
- 2) No complicated drivers are needed (as they are for zip, superdisk, and some CDRWs)
- 3) Transfer is quick CDs are a waste to copy files smaller than 20MB
- 4) There were several media readers made for the floppy drive you could actually place a memory card from your camera into an adapter and read and write to the card quickly. Here's a pic:

6:06-cv-00109-HMH



- 5) Zip drives are expensive and tend to be "break prone"
- 6) If you're thinking thumb drives and USB connected devices you may not be thinking about Macs that don't have available USB or any USB at all.

Some guy named Ron emails me this question from eBay last night:

Will you be done listing these worthless things soon? I am tired of having them turn up in my other searches because of your 13,000word essay. Apple quit installing floppy drives seven years ago for a reason ...

To what is Ron referring?

I have been selling floppy drives on eBay for almost 6 years ... I sell fewer than I used to, but I do still sell about 4-7 a month through my website and through eBay and then occasionally in a bulk quantity to a reseller.

Here is the 13,000 word essay to which Ron refers:



Place an INTERNAL drive inside\* your 233 Rev A or Rev B iMac! + dozens of PowerMacs and the Performa series of Macs + many others including clones

If you want to use this drive for this hack remember it is \*\*ONLY\*\* for the Revision A or Revision B iMac Bondi!

Step by step color picture instructions (see below)

Bet you didn't know that Apple kept a floppy connector on the motherboard did you? This is the best drive to use for this rather simple project.

THIS IS FOR A COMPLETE DRIVE & CABLE and link to instructions on how to do the iMac floppy hack (if needed).

Now that your Apple Care warranty is out this is great project to enhance the value of your investment - your iPro raid Card your Voodoo video card - your iForce or iMaxpower or Sonnet Harmonl G3 G4 upgrade - - KEEP that iMac it will certainly be as collectible as the first macs and you still have infrared! This enhancement, if done right, can easily get an extra \$200 for your iMac!

If grounded right, it is VERY hard to mess up your unit when performing this simple hack!

One other thing the instructions can help you do is learn how to use

the floppy cable as power for a light to light up your iMac, tres cool!

Case must be modded for complete internal installation - otherwise drive is cabled to outside of iMac enclosure - see picture!

The information below is the original use for this floppy drive making this auction a VERY valuable part to have in stock!

1.44 meg floppy replacement = Sony or Mitsubishi 2MB Model w/ black bay cover

Will work in all of the following desktop Mac models:

Quadra 650 660 Centis 610 PowerMac / Performa6100 6115 1116 6110 6300 6360 6400 6500 and any workgroup server based on this chassis

7100 7200 7300 7500 7600

Quadra 840 840 AV 8100 8500 8515 or any server model based on this chassis

Quadra 900 Power Macintosh 9100 9500 9600 or any server model based on this design

Beige G3 233 266 300 333 G3 All In One

Also fits the Apple Network Server 500 or 700 model

Great to have as a spare, if you use your floppy more than twice a day, you may fail and be stuck!!

20 pin connection

Drive is tested & gauranteed!

To anyone interested I sell them on eBay and directly through my website @ www.adzoox.com.

posted by JackWhispers @ 8:24 AM 0 comments links to this post \_

Tuesday, December 06, 2005

## Not A Real Big Deal



\* Glaser (REAL CEO) shakes hands w/ Gates (You know what company he works for)

#### As reported by Reuters:

Digital media company RealNetworks Inc on Monday said it would launch a free, Web-based version of its Rhapsody digital music subscription service.

Marketing Rhapsody as both a Web service and a desktop service is part of a larger shift for RealNetworks, which recently reached a settlement in its antitrust lawsuit against Microsoft Corp..

RealNetworks had sued its long-time rival, claiming Microsoft's decision to bundle its own media player within its Windows operating system hurt sales of the RealNetworks player.

Under the settlement, RealNetworks got \$460 million upfront, while another \$301 million was earmarked to promote the Rhapsody service on Microsoft's MSN Web site.

The new Rhapsody.com service, announced Monday, enables consumers to use Rhapsody without first downloading a PC jukebox application, and for the first time makes Rhapsody available to Apple Computer Inc's Mac users and Linux users.

Umm ... is anyone impressed? Isn't this essentially just the same as iTunes Radio? They mention it as a free service like they were planning to charge for it!

Why doesn't Apple make a big deal about Quicktime for the same reasons? Oh I forgot, Apple isn't arguing with Microsoft over anything anymore ... just poking fun at Microsoft at expos occasionally ...



\* Photo courtesy of MacMinute / 2004

Followup stories:

You Got To Be Real

A Crumb From The Crust Of The Apple Pie

posted by JackWhispers @ 7:27 AM 0 comments links to this post \_

## iOps Gets The iOpportunity To Be Sued By Apple



As reported by **ENgadget**:

#### Apple taking IOPS to court over knockoff iPod minis

We were all kind of wondering how long it was gonna take Apple to make the first legal move against all those crazy Asian iPod knockers off, but it looks like the card most consistently at the top of that deck — Luxpro — dodged the bullet on the first real lawsuit, and a little less expected firm, IOPS, is the one getting hauled to court. Apparently, Apple's bringing them in over the Jock (right) and Z3 models, which, granted bear some resemblance to the iPod mini. Apple ... demands IOPS stop selling the two players, get compensated for lost sales, and for IOPS to take out an official apology in three (or more) South Korean newspapers.



What most outlets that just regurgitated this story from ENgadget didn't report was that this player had the same guts as a Mini ... this was the real reason Apple was suing.

Another fake being distributed in Turkey ... why isn't Apple suing these guys? Or Luxpro; as the ENgadget article mentioned and I have mentioned here before.



Followup articles:

They Should Have Just called It The iRuffle

This litigation will be posted to the Jackwhispers Your Rights, The Law, <u>& Litigation Reference Section</u> as found in the right side column.

posted by JackWhispers @ 6:56 AM Ocomments links to this post \_

Monday, December 05, 2005

## **Trying To Steal An iPod Shuffle**

## **UPC Database Entry**

UPC-E

UPC-A

Description Size/Weight (none)

Manufacturer

Campbell Soup Company (051000)

This UPC was not found in the database. Sorry...

If you know what this item is, please add it here...

As reported by **ENgadget**:

#### Barcode spoofer caught stealing iPod shuffle

Barcode printing, barcode creation apps, and barcode spoofing are really nothing new — but you have to be of a certain persuasion to walk right into a Target with a fake barcode for \$4.99 headphones and try and walk back out with an iPod shuffle for your trouble. Perhaps some might call that the poor college student persuasion, but apparently 19 year old Colorado college student Jonathan Baldino actually made it past the register with his \$4.99 purchase, only to be halted by one of those receipt checking door guards. [He's] facing a criminal felony count of forgery and two misdemeanor counts of theft (he'd admitted to trying the fake-barcode trick on a CD player, before). ...

It is also against the law to reproduce "already used barcodes" -- I had reported on this back when an astute reader found out that the MacMice IceMate from Jack Campbell had a Campbell's soup barcode.





I am VERY surprised this kind of theft hasn't happened more and is yet another reason RFIDs will be better for consumers and for retailers once they become ubiquitous.

posted by JackWhispers @ 11:49 AM Ocomments links to this post \_

## The Price Is Wrong At Price Rite Photo

Today I am going to kind of just cop out and post a story for you to read.

I need to update so ...

I wanted to do a little more commentary with this story. But, this story made the rounds on Friday and was posted on Slashdot. That made the site very slow (eventhough it was on a BLOGGER BLOG just like this site)

-- it also made this BLOG slow because of all the attention it was

I promise a better update by tomorrow morning ...

This is a great story of how a guy was cheated by a company called Price Rite Photo and he is exposing them on the web. This is the best thing he could have done ... better than reporting the problem to the Better Business Bureau or even the police.

The best part of the story is the comments, where readers have assisted the blogger with more information concerning Price Rite; such as:

- (1) This is actually a chain of bait and switch high end digital camera shops. They go under many many names on the internet and on eBay, Amazon, and Yahoo
- (2) An actual picture of the business that looks like the entrance to some werewolves' or vampire's city hangout from a movie.
- (3) Bloggers have posted other options for the readers to seek retribution, some of which I have not heard of.

As for (3), I plan to investigate some of the options posed by readers and report about them here soon.

I got some good ideas concerning Wegener Media ... as I plan to post a followup to my previous story; Attack Of the Waygoner.



Price Rite Photo's Abusive Bait & Switch



6:06-cv-00109-HMH Date Filed 02/13/2006 Entry Number 6-11

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Take a look ... I'm sure if you enjoy this site ... you will enjoy this story ... and since many Mac Users also work with digital media .. this may be applicable to you!

posted by JackWhispers @ 3:19 AM 1 comments links to this post \_

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